

Advanced Taxation (P6) Republic of Ireland (IRL) 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 *Performance Management* (F5) and *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.

The pass mark for all ACCA Qualification examination papers is 50%.

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.

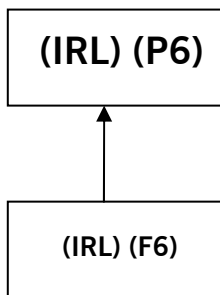
Regulation issued or legislation passed in accordance with the above dates may be examinable even if the **effective** date is in the future.

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



AIM

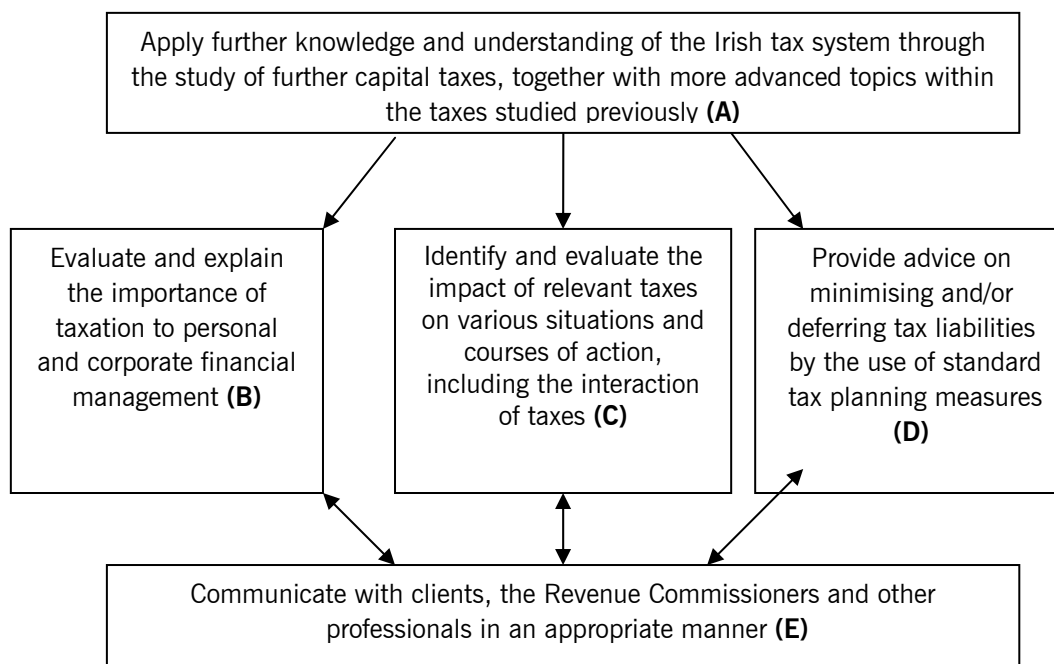
To apply relevant knowledge, skills and exercise professional judgement in providing relevant information and advice to individuals and businesses on the impact of the major taxes on financial decisions and situations.

MAIN CAPABILITIES

After completing this examination paper students should be able to:

- A** Apply further knowledge and understanding of the Irish tax system through the study of further capital taxes, together with more advanced topics within the taxes studied previously
- B** Evaluate and explain the importance of taxation to personal and corporate financial management
- C** Identify and evaluate the impact of relevant taxes on various situations and courses of action, including the interaction of taxes
- D** Provide advice on minimising and/or deferring tax liabilities by the use of standard tax planning measures
- E** Communicate with clients, the Revenue Commissioners and other professionals in an appropriate manner.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The Advanced Taxation syllabus further develops the key aspects of taxation introduced in the compulsory Taxation syllabus within the Skills module and extends the candidates' knowledge of the tax system, together with their ability to apply that knowledge to the issues commonly encountered by individuals and businesses; such that successful candidates should have the ability to interpret and analyse the information provided and communicate the outcomes in a manner appropriate to the intended audience.

The syllabus builds on the basic knowledge of core taxes from the earlier taxation paper and introduces candidates to additional capital taxes in the form of capital acquisitions tax and stamp duty. As this is an optional paper, aimed at those requiring/desiring more than basic tax knowledge for their future professional lives, the syllabus also extends the knowledge of income tax, corporation tax and capital gains to encompass further overseas aspects of taxation, the taxation of trusts and additional exemptions and reliefs.

Candidates are not expected to concentrate on the computational aspects of taxation. Instead this paper 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.

DETAILED SYLLABUS

A Knowledge and understanding of the Irish tax system through the study of further capital taxes, together with more advanced topics within the taxes studied previously

1. Income and income tax liabilities in situations involving further overseas aspects and in relation to trusts, and the application of additional exemptions and reliefs
2. Corporation tax liabilities in situations involving further overseas and group aspects and in relation to special types of company, and the application of additional exemptions and reliefs
3. Chargeable gains and capital gains tax liabilities in situations involving further overseas aspects and in relation to closely

related persons and trusts, and the application of additional exemptions and reliefs

4. Capital acquisitions tax
5. Stamp duty
6. Social insurance, health contributions, value added tax and tax administration

B The importance of taxation to personal and corporate financial management

1. The principles underlying personal financial management
2. How an individual's personal financial objectives may differ depending on their circumstances and expectations
3. The applicability of the common forms of personal finance, investment and/or protection products in a given set of circumstances, including any ethical considerations
4. How a business' financial objectives may differ depending on its circumstances and the business environment
5. How taxation can affect the financial decisions made by businesses (incorporated and unincorporated) and by individuals
6. Other considerations, personal and commercial, which might affect a financial decision

C The impact of relevant taxes on various situations and courses of action, including the interaction of taxes

1. Taxes applicable to a given situation or course of action and their impact
2. Alternative ways of achieving personal or business outcomes may lead to different tax consequences
3. Tax advantages and/or disadvantages of alternative courses of action

4. Statutory obligations imposed in a given situation, including any time limits for action and the implications of non-compliance

D Minimising and/or deferring tax liabilities by the use of standard tax planning measures

1. Types of investment and other expenditure that will result in a reduction in tax liabilities for an individual and/or a business
2. Legitimate tax planning measures, by which the tax liabilities arising from a particular situation or course of action can be mitigated
3. The appropriateness of such investment, expenditure or measures, given a particular taxpayer's circumstances or stated objectives
4. The mitigation of tax in the manner recommended, by reference to numerical analysis and/or reasoned argument
5. Ethical and professional issues arising from the giving of tax planning advice
6. Current issues in taxation

E Communicating with clients, the Revenue Commissioners and other professionals

1. Communication of advice, recommendations and information in the required format
2. Presentation of written information, in language appropriate to the purpose of the communication and the intended recipient
3. Conclusions reached, together where necessary with relevant supporting computations
4. Assumptions made or limitations in the analysis provided; together with any inadequacies in the information available and/or additional information required to provide a fuller analysis
5. Other non-tax factors that should be considered

APPROACH TO EXAMINING THE SYLLABUS

The paper consists of two sections:

Section A consists of two compulsory questions for a total of between 50 and 70 marks. Marks may not be allocated evenly between the two questions.

Section B consists of three questions, two of which must be answered. Each question will have the same number of marks, ranging from 15 marks each to 25 marks each.

Questions will be scenario based and will normally involve consideration of more than one tax together with some elements of planning and the interaction of taxes. Computations will normally only be required in support of explanations or advice and not in isolation.

The examination is a three hour paper.

Tax rates, allowances and information on certain reliefs will be given in the examination paper.

Examinable legislation

ACCA applies an annual cut-off date of 30 September 2008, which is explained in detail on page 3.

For clarity, the June 2009 and December 2009 examinations will be based on Finance Act 2008. Finance Act (No.2) is NOT examinable.

Study Guide

A APPLY FURTHER KNOWLEDGE AND UNDERSTANDING OF THE IRISH TAX SYSTEM THROUGH THE STUDY OF FURTHER CAPITAL TAXES, TOGETHER WITH MORE ADVANCED TOPICS WITHIN THE TAXES STUDIED PREVIOUSLY

1. Income and income tax liabilities in situations involving further overseas aspects and in relation to trusts, and the application of exemptions and reliefs

- a) The contents of the Paper F6 (IRL) study guide for income tax, under headings:
- B1 The scope of income tax
 - B2 Income from employment
 - B3 Income from self employment
 - B4 Property and investment income
 - B5 The comprehensive computation of taxable income and income tax liability
 - B6 The use of exemptions and reliefs in deferring and minimising income tax liabilities

The following additional material is also examinable:

- b) The scope of income tax: ^[3]
- Explain and apply the concepts of residence, ordinary residence and domicile and advise on their relevance to income tax
 - Advise on the tax position of non-resident individuals
 - Advise on the tax position of individuals coming to and leaving Ireland
 - Determine the income tax treatment of overseas income
 - Understand the relevance of the OECD model double tax treaty to given situations
 - Calculate and advise on the double taxation relief available to individuals
- c) Income from employment: ^[3]
- Advise on the tax treatment of share option and share incentive schemes
 - Advise on the tax treatment of lump sum receipts

- Advise on the aspects of income from overseas employment
 - Advise on the tax treatment of a foreign employment exercised in the State
- d) Income from self employment: ^[2]
- Recognise the tax treatment of the investment income of a partnership
- e) Property and investment income: ^[3]
- Income from trusts and settlements: Understand the income tax position of trust beneficiaries
 - Shares in lieu of dividend
- f) The comprehensive computation of taxable income and the income tax liability: ^[3]
- Determine the taxability of the income of minor children
- g) The use of exemptions and reliefs in deferring and minimising income tax liabilities: ^[3]
- Advise on the types of pension scheme to which an employed person can contribute, the reliefs available in respect of contributions and the options available on retirement
 - Advise on the types of pension scheme to which a self-employed person can contribute, the reliefs available in respect of contributions and the options available on retirement

Excluded topics

- *Explanation of the PAYE system*
- *Capital allowances for agricultural buildings, patents, scientific research and know how*
- *Farmers averaging of profits*
- *Details of specific anti-avoidance provisions, except as stated in the study guide*
- *The computation of income tax payable by trustees*
- *Overseas aspects of trusts*

- *Detailed knowledge of the conditions which must be met to obtain Revenue approval for an occupational pension scheme*
- *Charitable donations*
- *Social security benefits apart from the State Retirement Pension.*

2. Corporation tax liabilities in situations involving further overseas and group aspects and in relation to special types of company, and the application of additional exemptions and reliefs

- a) The contents of the Paper F6 study guide, for corporation tax, under headings:
- C1 The scope of corporation tax
 - C2 Profits chargeable to corporation tax
 - C3 The comprehensive computation of corporation tax liability
 - C4 The effect of a group structure for corporation tax purposes
 - C5 The use of exemptions and reliefs in deferring and minimising corporation tax liabilities

The following additional material is also examinable:

- b) The scope of corporation tax: ^[3]
- Identify and calculate corporation tax for companies with investment business.
 - Close companies:
 - Apply the definition of a close company to given situations
 - Conclude on the tax implications of a company being a close company or a close service company and compute the close company surcharge
 - Identify and evaluate the significance of accounting periods on administration or winding up
 - Conclude on the tax treatment of returns to shareholders after winding up has commenced
 - Advise on the tax implications of a purchase by a company of its own shares.

- c) Profits chargeable to corporation tax: ^[3]
- Identify qualifying research and development expenditure and determine the amount of relief
 - Advise on the restriction on the use of losses on a change in ownership of a company
 - Advise on carry forward of losses in the case of company reconstructions without change of ownership
- d) The comprehensive calculation of tax liability: ^[3]
- Prepare computations involving manufacturing relief, loss relief, group relief, close company surcharge
 - Assess the impact of the OECD model double tax treaty on corporation tax
 - Evaluate the meaning and implications of a permanent establishment
 - Advise on the tax position of overseas companies trading in Ireland
- e) The effect of a group structure for corporation tax purposes: ^[3]
- Advise on the tax consequences of a transfer of chargeable assets
 - Advise on the tax consequences of a transfer of a trade and assets where there is common control
 - Understand the meaning of consortium owned company and consortium member ^[2]
 - Advise on the operation of consortium relief
 - Determine pre-entry gains and losses and understand their tax treatment
 - Determine the degrouping charge where a company leaves a group within ten years of receiving an asset by way of a no gain/no loss transfer
 - Determine the effects of the anti-avoidance provisions, where arrangements exist for a company to leave a group
 - Advise on the operation of the holding company regime

Excluded topics

- Detailed knowledge of anti-avoidance provisions (except as stated in the Study Guide)
- Corporation tax for companies in the process of winding up
- Relief for overseas tax as an expense.
- Detailed knowledge of specific double taxation agreements.
- Migration of an Irish resident company.
- Detailed computational questions involving double tax relief.

3. Chargeable gains and capital gains tax liabilities in situations involving further overseas aspects and in relation to closely related persons and trusts together with the application of additional exemptions and reliefs

- a) The contents of the Paper F6 study guide for chargeable gains under headings:
- D1 The scope of the taxation of capital gains
 - D2 The basic principles of computing gains and losses (including gains and losses on development land)
 - D3 Gains and losses on the disposal of movable and immovable property
 - D4 Gains and losses on the disposal of shares and securities
 - D5 The computation of the capital gains tax payable
 - D6 The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets

The following additional material is also examinable:

- b) The scope of the taxation of capital gains: ^[3]
- i) Determine the tax implications of transfers between spouses
 - ii) Identify the concepts of residence, ordinary residence and domicile and determine their relevance to capital gains tax

- iii) Determine the Irish capital gains tax on foreign gains, including double taxation relief
- iv) Conclude on the capital gains tax position of individuals coming to and leaving Ireland
- v) Determine the Irish capital gains tax position of non-residents
- vi) Identify the occasions when a capital gain would arise on a partner in a partnership
- vii) Capital gains tax and trusts:
 - Define settled property for CGT purposes
 - Advise on the capital gains tax implications of transfers of property into and out of a trust

- c) The basic principles of computing gains and losses: ^[3]
- i) Identify connected persons for capital gains tax purposes and advise on the tax implications of transfers between connected persons
 - ii) Identify the circumstances when the market value rules apply
 - iii) Advise on the impact of dates of disposal and conditional contracts
 - iv) Evaluate the use of capital losses in the year of death.
- d) Gains and losses on the disposal of movable and immovable property: ^[3]
- i) Advise on the tax implications of a part disposal
 - ii) Determine the gain on the disposal of leases and wasting assets
 - iii) Establish the tax effect of appropriations to and from trading stock
 - iv) Establish the tax effect of capital sums received in respect of the loss, damage or destruction of an asset
 - v) Advise on the tax effect of making negligible value claims
- e) Gains and losses on the disposal of shares and securities: ^[3]
- i) Apply the rules relating to reorganisations, reconstructions and amalgamations and advise on the most tax efficient options available in given circumstances

- f) The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets: ^[3]
 - i) Apply the rules relating to retirement relief
 - ii) Establish the relief available on the transfer of a business to a company ^[3]
 - iii) Understand the capital gains tax implications of the variation of wills and the use of deeds of family arrangement
- vii) Understand the inter-relationship between capital gains tax and capital acquisitions tax and compute the available set-off

- d) Computing value: ^[3]
 - i) Advise on the principles of valuation
 - ii) Understand and apply the concepts of market value, encumbrance free value and taxable value
 - iii) Advise on the availability of business property relief and agricultural relief
 - iv) Identify exempt benefits ^[2]

Excluded topics

- *Overseas aspects of capital gains tax and trusts*
- *Chattels where the cost or proceeds are less than €2,540.*
- *Sets of chattels.*
- *The grant of a lease or sub-lease out of a freehold, long lease or short lease.*

4. Capital acquisitions tax

- a) The scope of capital acquisitions tax: ^[2]
 - i) Identify and explain the persons chargeable
 - ii) Explain the concepts of residence, ordinary residence and domicile and understand the application of these concepts to capital acquisitions tax
- b) The basic computational principles: ^[3]
 - i) State, explain and apply the meaning of gift and inheritance
 - ii) Define, explain and apply the meaning of date of gift, date of inheritance and valuation date
 - iii) Identify and advise on the tax implications of the location of assets
- c) The liabilities arising on gifts and inheritances taken by individuals: ^[3]
 - i) Advise on the tax implications of lifetime benefits
 - ii) Advise on the tax implications of transfers within two years of death
 - iv) Advise on the operation of double tax relief
 - v) Advise on the inheritance tax effects and advantages of disclaimers and deeds of family arrangement
 - vi) Compute the tax arising on lifetime gifts and inheritances

- e) The liabilities arising as a result of changes of interest in and capital distributions from trusts: ^[3]
 - i) Define a trust ^[2]
 - ii) Distinguish between an interest in possession trust and a discretionary trust
 - iii) Advise on the capital acquisitions tax implications of transfers of property into trust
 - iv) Advise on the capital acquisitions tax implications of the termination of the life tenant's interest
 - v) Understand and apply the definition of a discretionary trust
 - vi) Advise on the advantages and disadvantages of using a discretionary trust
 - vii) Identify the occasions when a charge to capital acquisitions tax will arise in the case of a discretionary trust
- f) The use of exemptions and reliefs in deferring and minimising capital acquisitions tax liabilities: ^[3]
 - i) Advise on the use of reliefs and exemptions to minimise capital acquisitions tax liabilities
- g) The system by which capital acquisitions tax is administered:
 - i) Identify those responsible for the payment of capital acquisitions tax ^[2]
 - ii) Advise on the due dates, interest and penalties for capital acquisitions tax purposes ^[3]

- iii) Explain how government securities can be surrendered in payment of capital acquisitions tax ^[2]
- iv) Explain how certain insurance policies can be used to pay capital acquisitions tax ^[2]

Excluded topics

- *Valuation of an annuity or interest in possession where the trust interest is the subject of an annuity*
- *Woodlands relief*
- *Exemption for heritage property*
- *Detailed aspects of the discretionary trust levies*
- *Overseas aspects of trusts*

5. Stamp duty

- a) The scope of stamp duty: ^[3]
 - i) Identify the property on which stamp duty is payable
- b) Identify and advise on the liabilities arising on documented transfers: ^[3]
 - i) Advise on the stamp duties payable on transfers of shares and securities
 - ii) Advise on the stamp duty payable on transfers of land
- c) The use of exemptions and reliefs in deferring and minimising stamp duties: ^[3]
 - i) Advise on group transactions.
 - ii) Advise on the operation of the relief from stamp duty on reconstructions and amalgamations of companies.
 - iii) Advise on the operation of the relief from stamp duty on transfers to young trained farmers.
- d) Understand and explain the systems by which stamp duties are administered. ^[2]

Excluded topics

- *Leases*
- *Detailed rules on interest and penalties*

6. Other aspects of the paper F6 study guide included within this syllabus:

- a) The contents of the Paper F6 study guide for Social insurance and health contributions under headings:
 - E1 The scope of social insurance
 - E2 Social insurance contributions for self-employed persons and employees
 - E3 Health contributions
- b) The contents of the Paper F6 study guide for value added tax (VAT) under headings:
 - F1 The scope of value added tax (VAT)
 - F2 The VAT registration requirements:

Additional subjects included in P6:

- i) Advise on the impact of waiver of exemption from VAT on short lettings ^[3]
- ii) Explain the application of the disaggregation rules ^[3]
- iii) Advise on the impact of group registration. ^[3]
 - F3 The computation of VAT liabilities:

Additional subjects included in P6: ^[3]

- i) Advise on the VAT implications of the supply of land and buildings in Ireland including the sale or letting of:
 - a. new buildings supplied after 1 July 2008, and
 - b. transitional buildings in existence at 1 July 2008
 - c. the capital goods scheme
- ii) Advise on the VAT implications of imports and exports
- iii) Advise on the VAT implications of acquisitions and supplies within the EU
- iv) Advise on the VAT implications of partial exemption
 - F4 The effect of special schemes
- c) The contents of the Paper F6 study guide for the obligations of taxpayers and/or their agents under headings:

- G1 The systems for self assessment and the making of returns
- G2 The time limits for the submission of information, claims and payment of tax, including preliminary tax
- G3 The procedures relating to Revenue audits, enquiries, appeals and disputes
- G4 Penalties for non-compliance

- ii) Fixed interest securities
- iii) Packaged investments
- iv) Collective investments
- v) Equities

Excluded topics

- *Administration of VAT, including the VAT returns and VAT periods*
- *VAT on property rules pre 1 July 2008*
- *The contents of a valid VAT invoice*
- *Second hand goods scheme*
- *Retailers' schemes*
- *Schemes for farmers*

B THE IMPORTANCE OF TAXATION TO PERSONAL AND CORPORATE FINANCIAL MANAGEMENT

1. The principles underlying personal financial management

- a) Calculate the receipts from a transaction, net of tax and compare the results of alternative scenarios and advise on the most tax efficient course of action.^[3]

2. How an individual's personal financial objectives may differ depending on their circumstances and expectations

- a) Understand and apply the effect of age, family commitments, aspirations and the economy on personal financial objectives.^[3]

3. The applicability of the common forms of personal finance and investment products in a given set of circumstances, including ethical considerations

- a) Understand and be able to compare and contrast the tax treatment of the sources of finance available to individuals.^[3]

- b) Understand and be able to compare and contrast the tax treatment of investment products:^[3]

- i) Deposit based investments

4. How a business' financial objectives may differ depending on its circumstances and the business environment

- a) Understand and be able to explain the effect of profitability, future plans, actions of competitors and the economy on a business' financial objectives.^[3]

5. How taxation can affect the financial decisions made by businesses (incorporated and unincorporated) and by individuals

- a) Understand and explain the effect of the raising of equity and loan finance on tax.^[3]

- b) Explain the tax differences between decisions to lease, use hire purchase or purchase outright.^[3]

- c) Understand and explain the impact of taxation on the cash flows of a business.^[3]

6. Other considerations, personal and commercial, which might affect a financial decision^[3]

C THE IMPACT OF RELEVANT TAXES ON VARIOUS SITUATIONS AND COURSES OF ACTION, INCLUDING THE INTERACTION OF TAXES

1. Identifying and advising on the taxes applicable to a given course of action and their impact^[3]

2. Identifying and understanding that the alternative ways of achieving personal or business outcomes may lead to different tax consequences^[3]

3. Assessing the tax advantages and disadvantages of alternative courses of action^[3]

4. Understanding the statutory obligations imposed in a given situation, including any

time limits for action and advising on the implications of non-compliance ^[3]

D MINIMISING AND/OR DEFERRING TAX LIABILITIES BY THE USE OF STANDARD TAX PLANNING MEASURES

1. Identifying and advising on the types of investment and other expenditure that will result in a reduction in tax liabilities for an individual and/or a business ^[3]
2. Advising on legitimate tax planning measures, by which the tax liabilities arising from a particular situation or course of action can be mitigated ^[3]
3. Advising on the appropriateness of such investment, expenditure or measures given a particular taxpayer's circumstances or stated objectives ^[3]
- 4 Advise on the mitigation of tax in the manner recommended by reference to numerical analysis and/or reasoned argument ^[3]
- 5 Be aware of the ethical and professional issues arising from the giving of tax planning advice ^[3]
6. Be aware of and give advice on current issues in taxation ^[3]

E COMMUNICATING WITH CLIENTS, THE REVENUE COMMISSIONERS AND OTHER PROFESSIONALS IN AN APPROPRIATE MANNER

1. Communication of advice, recommendations and information in the required format:^[3]

For example the use of:

- Reports
- Letters
- Memoranda
- Meeting notes

2. Presentation of written information, in language appropriate to the purpose of the communication and the intended recipient ^[3]

3. Communicating conclusions reached, together, where necessary with relevant supporting computations ^[3]
4. Stating and explaining assumptions made or limitations in the analysis provided; together with any inadequacies in the information available and/or additional information required to provide a fuller analysis ^[3]
5. Identifying and explaining other, non-tax, factors that should be considered ^[3]

READING LIST

Website: www.revenue.ie

Kennedy, Murphy, Scanlon and O'Sullivan
Irish Taxation – Law, Published by the Irish Taxation Institute

McAteer, Reddin, Deegan and Bolster, Income Tax
Published by the Irish Taxation Institute

Brennan, Moore and O'Sullivan
Corporation Tax, Published by the Irish Taxation Institute

Appleby and O'Hanlon, The Taxation of Capital Gains, Published by the Irish Taxation Institute

Cremmins, O'Brien and Brodie, Value Added Tax
Published by the Irish Taxation Institute

Conolon, Capital Acquisitions Tax
Published by the Irish Taxation Institute

Devlin, Power and Scally, The Law and Practice of Irish Stamp Duty, Published by the Irish Taxation Institute

Bradley, PRSI and Levy Contributions, Published by the Irish Taxation Institute

The study of relevant articles in ACCA's *Student Accountant* magazine is also recommended.

Students are reminded to always use the edition relevant to the Finance Act examinable at the session for which they are studying.