

ACCA

Taxation – Poland (TX-POL)

Syllabus and study guide

June and December 2019

Think Ahead

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1. 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 Applied Knowledge, the Applied Skills and the Strategic Professional exams 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 Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each 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.

2. Learning hours and educational recognition

The ACCA qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA students find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualification is recognised and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the education frameworks in several countries. Please refer to your national education framework regulator for further information.

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. Guide to ACCA examination structure and delivery mode

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills

The *Corporate and Business Law* exam is a two-hour computer-based objective test examination for English and Global. For the format and structure of the *Corporate and Business Law* or *Taxation* variant exams, refer to the 'Approach to examining the syllabus' in section 9 of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spreadsheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and

application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 professional skills marks.

The other Strategic Professional exams are all of three hours and 15 minutes duration. All contain two sections and all questions are compulsory. These exams all contain four professional marks.

For June, September and December 2019 sittings, all Strategic Professional exams will be available by paper based examination. From March 2020, these exams will become available by computer based examination. More detail regarding what is available in your market will be on the ACCA global website.

With Applied Knowledge and Applied Skills exams now assessed by computer based exam, ACCA is committed to continuing on its journey to assess all exams within the ACCA Qualification using this delivery mode.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace and, with the move to CBE, these exams again offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools – spreadsheets, word processing and presentations - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

The pass mark for all ACCA Qualification examinations is 50%.

4. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams 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 most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

Regulations 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's 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.

For the **POL** variant, tax examinations in June and December will be based on

legislation passed before the previous 30 September i.e. June and December 2019 papers will be based on legislation passed by 30 September 2018.

5. Relational diagram linking Taxation – Poland (TX-POL) with other exams

This diagram shows there are no links between this exam and other exams preceding or following it.



6. Overall aim of the syllabus

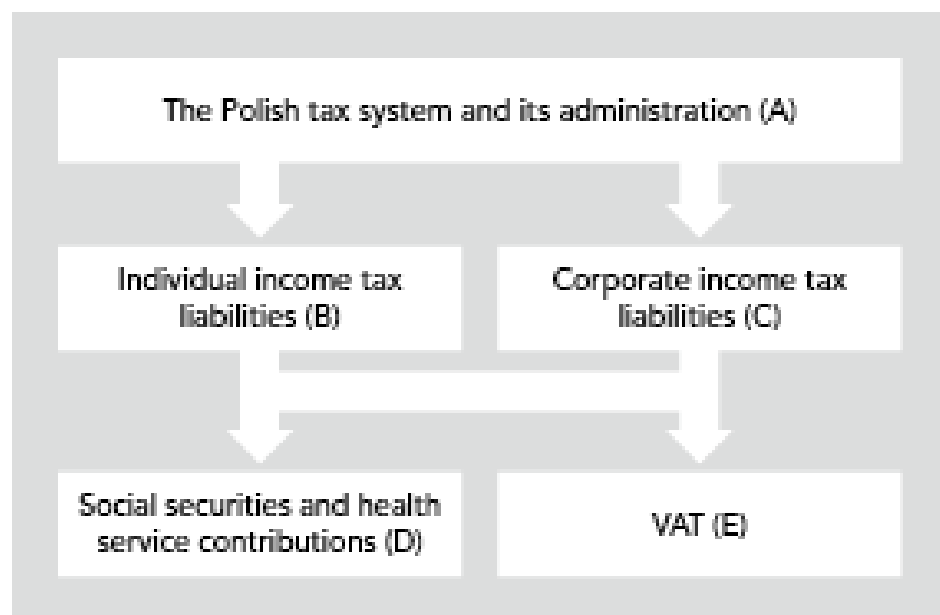
This syllabus and study guide is designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

The aim of the syllabus is to develop knowledge and skills relating to the Polish tax system as applicable to individuals and companies.

7. Main capabilities

On successful completion of this exam, candidates should be able to:

- A Explain the operation and scope of the Polish tax system and the obligations of taxpayers and/or their agents and the implications of non-compliance
- 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



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

8. 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.

9. Approach to examining the syllabus

The syllabus is assessed by a three-hour 15 minute paper-based examination.

All questions are compulsory. The exam will contain both computational and discursive elements.

Some questions will adopt a scenario/case study approach.

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

Section A of the exam comprises 15 multiple choice questions of 2 marks each.

Section B of the exam comprises four 10 mark questions and two 15 mark questions. The two 15 mark questions will focus on income tax (syllabus area B) and corporate income tax (syllabus area C).

All other questions can cover any areas of the syllabus.

10. The syllabus

A The Polish tax system and its administration

1. The overall function and purpose of taxation in a modern economy
2. The tax regulatory framework
3. The systems for self-assessment and the making of returns
4. The time limits for the submission of information, claims and payment of tax, tax prepayments/advances
5. The procedures relating to enquiries, rulings, appeals and disputes
6. Penalties for non-compliance

B Income tax liabilities

1. The scope of individual 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

11. Detailed study guide

A The Polish Tax system and its administration

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

2. The tax regulatory framework

- a) Describe the overall structure of the Polish tax system.^[2]
- 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]
- d) Explain the difference between tax avoidance and tax evasion and the purposes of the tax anti-avoidance regulations (both the general anti-avoidance clause and specific income tax clauses).^[1]
- e) Explain the need for an ethical and professional approach.^[2]

3. 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]

4. 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 and benefits 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*
- *Details of formal procedure for the recovery of tax claims*
- *The internal organisation and functions determination of the tax administration bodies*

5. 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]

6. 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]

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 (including income in non-monetary form).^[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) Explain how to apply the straight line method to taxable business income.^[2]

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.^[2]
- 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**

- Describe the scope of corporate income tax.^[2]
- Define the term 'tax year'.^[1]
- Explain how the residence of a company is determined.^[2]
- Recognise the income that is taxable in the case of tax resident and tax non-resident companies.^[2]
- Define the term 'permanent establishment' and explain the consequences of an activity being so classified.^[1]
- Recognise and apply the separation of capital gains and operating income revenue sources for corporate income tax .

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*
- *Controlled foreign corporation (CFC) regulations*

2. Profits chargeable to corporate income tax

- Recognise the adjustments made to the accounting profit for the purpose of calculating the corporate tax base.^[2]
- Identify revenue which is not taxable.^[2]
- Identify the expenditure which is generally allowable in computing the tax-adjusted profit.^[2]
- Identify items which are not tax deductible.^[2]
- Explain how receipts in kind of goods and services are valued and the taxation of other non-monetary (in-kind) income.^[2]
- Depreciation allowances (as for personal income tax).^[2]
- Transfer pricing
 - Recognise the circumstances in which the transfer pricing rules will be applied.^[2]
 - Explain the implications of the tax office applying the transfer pricing rules and compute relevant amounts.^[2]
- Explain the limitation of tax deductibility in respect of financing and intangible services costs and compute relevant amounts.^[2]
- 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

- Recognise the allowances and credits available to corporations and compute relevant amounts.^[2]
- Compute the double tax relief available against the Polish income tax payable on the foreign income of tax residents.^[2]
- 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]
- Identify revenue subject to deduction of tax at source and compute relevant amounts.^[2]
- 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)**

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

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

- Explain and compute the assessment base used for employed persons.^[2]
- Calculate the contributions payable by employees, and their employers.^[2]
- 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

- Recognise the circumstances in which a liability to social security contributions arises in respect of work done outside an employment relationship.^[2]
- Explain how the assessment base is determined and compute the contributions payable.^[2]
- Explain the treatment of agency workers, contractors and co-operants.^[2]
- 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

- 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]
- 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]

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.^[2]
- c) Explain the VAT accounting on trade within the EU.^[2]
- 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]

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]
- e) Recognise the circumstances in which input VAT is non-deductible.^[2]
- f) State the conditions that must be met for input VAT to be recovered on capital assets bought before the commencement of trade.^[2]
- g) Explain how input VAT is recovered in respect of leases.^[2]
- h) Understand the implications of being partially exempt in calculating VAT liability.^[2]
- i) Explain how excess input VAT is recovered when it relates to fixed asset purchases or where there are lower rated sales.^[2]

- j) Explain how a reduction in output VAT can be obtained in the case of bad debts.^[2]
- k) Explain the reverse charge mechanism for selected domestic services (e.g. construction).^[2]
- l) 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]
- g) Explain and apply the VAT split payment mechanism.^[2]

Reading list

BPP

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

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Summary of changes to Taxation – Poland (TX-POL)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There are changes to the syllabus and these are summarised in the table below.

Table 1 - Additions

	Section and subject area	Syllabus content
C1	The scope of corporate income tax	New outcome (f) added in respect of the separation of capital gains and operating income revenue sources for corporate income tax
C2	Profits chargeable to corporate income tax	New outcome (i) added on the limitation of tax deductibility in respect of financing and intangible services costs. Remaining outcomes renumbered.
E3	Documentation requirements and compliance	New outcome (e) added on the VAT split payment mechanism.