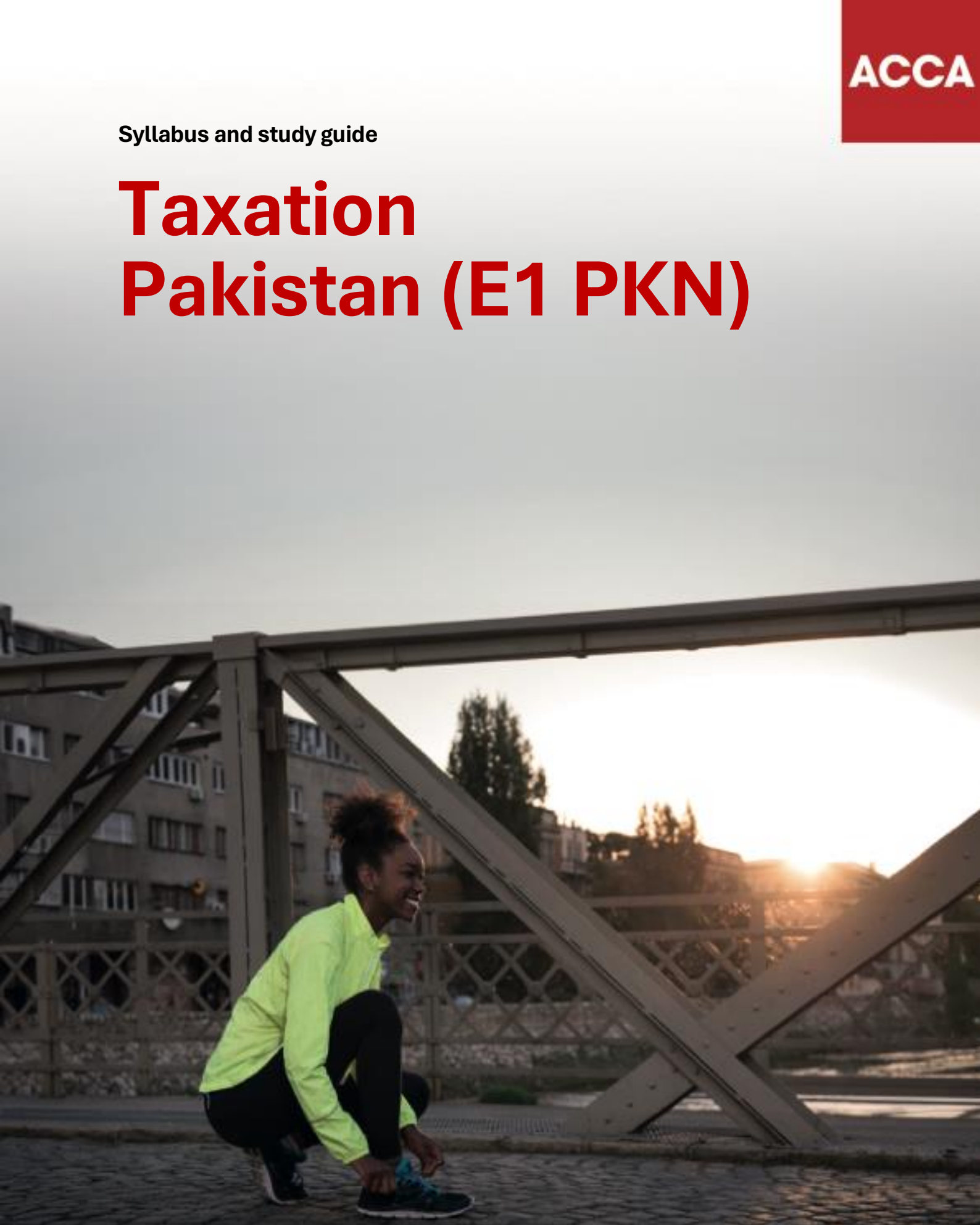
Syllabus and study guide

Taxation Pakistan (E1 PKN)



December 2027

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

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1. Overall aim of the syllabus

The overall aim of the syllabus is to develop and enable the application of technical knowledge and skills relating to the Pakistan tax system as applicable to individuals, association of persons (AOPs), and companies, including group taxation.

2. Introduction to the syllabus

The syllabus for E1 Taxation (E1 PKN) starts by introducing candidates to the functions and systems applicable to Pakistan tax, including sources of revenue law and practice, the system of self-assessment, tax avoidance and evasion, payment of tax, the procedures relating to enquiries, audit, dispute and appeals.

The syllabus then moves on to provide the core knowledge of the major technical areas of Pakistan taxation as they affect the activities of individuals, AOPs and companies, beginning with income tax for individuals and AOPs. The syllabus covers the taxation of income from employment, business, property and other sources, including the availability of exemptions and reliefs.

The next technical area covered by the syllabus is income tax for companies. This expands on the technical areas covered for individuals in respect of the computation of income from business to cover the computation of taxable income and income tax liability, including exemptions and reliefs available.

The syllabus then moves on to address capital gains, in particular how gains and losses are computed, the use of exemptions and reliefs and the payment of the tax.

Lastly, the syllabus covers the scope, administration and calculation of sales tax.

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3. Main capabilities

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

- Assess the operation and scope of the Pakistan tax system, the rights and obligations of taxpayers, their representatives, and tax authorities, and the implications of non-compliance
- Analyse and calculate the income tax liabilities of individuals and associations of persons (AOPs)
- Analyse and calculate the income tax liabilities of companies
- Analyse and calculate the capital gains of individuals, AOPs and companies
- Analyse and calculate sales tax on companies and AOPs
- Assess the impact of relevant taxes which apply in a variety of business and personal contexts

4. Intellectual levels

The ACCA Qualification syllabus is designed to progressively broaden and deepen the technical knowledge, skills and professional values demonstrated by the candidate on their journey through the qualification.

The specific learning outcomes 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 levels of the ACCA Qualification: Knowledge, Expertise and Strategic Professional.

Each learning outcome included in the detailed study guide is given a 1, 2 or 3 superscript, denoting its intellectual level. This gives an indication of the intellectual depth at which a learning outcome could be assessed within the examination. However, while Level 1 broadly equates with the Knowledge level, Level 2 to the Expertise level and Level 3 to the Strategic Professional level of the ACCA Qualification, some lower-level skills can continue to be assessed as the candidate progresses through each level. This reflects that at each stage of study there will be the requirement to broaden, as well as deepen, capabilities.

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5. The syllabus

A The Pakistan tax system and its administration

1. Pakistan taxes
2. Principal sources of revenue law and practice
3. The systems for self-assessment, the making of returns and submission of information
4. Payment of income tax
5. Withholding of tax at source
6. The procedures relating to enquiries, audits, disputes and appeals
7. Default surcharge and penalties for non-compliance

B Income tax liabilities of individuals and association of persons

1. The scope of income tax on individuals and association of persons (AOP)
2. Income from employment
3. Income from business
4. Income from property
5. Income from other sources
6. The comprehensive computation of total income and tax liability
7. The use of exemptions and reliefs in minimising tax liabilities

C Income tax liabilities of companies

1. The scope of income tax on companies
2. Income from business
3. Income from property and other sources
4. The comprehensive computation of taxable income and tax liability
5. The use of exemptions and reliefs in minimising tax liabilities

D Capital gains

1. The scope of the taxation of capital gains
2. The computation of gains and losses
3. The use of exemptions and reliefs in minimising tax liabilities

E Sales tax

1. The scope of sales tax
2. The registration and de-registration requirements
3. The computation of sales tax liabilities
4. Sales tax returns, refunds and representations
5. Payment of sales tax, sales tax deducted at source and refund of sales tax

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6. Detailed study guide

A The Pakistan tax system and its administration

1. Pakistan Taxes

a) Explain the difference between direct and indirect taxation.[1]

b) Summarise the different types of tax.[1]

c) Recommend an appropriate ethical action or response to a given tax situation.[2]

2. Principal sources of revenue law and practice

a) Explain the overall structure of the Pakistan tax system.[1]

b) Summarise the different sources of revenue law.[1]

c) Explain the role of the Federal Board of Revenue (FBR).[1]

d) Assess how an agreement for the avoidance of double taxation and prevention of fiscal evasion entered into by Pakistan with another country can override local tax legislation.[2]

e) Compare and contrast tax avoidance and tax evasion.[2]

f) Analyse the consequences of unexplained income, assets or expenditure, where a person fails to satisfactorily explain the nature and source of income, assets or expenditure.[2]

g) Analyse the consequence of the concealment of income or furnishing inaccurate particulars of income.[2]

3. The systems for self-assessment, the making of returns and submission of information

a) Analyse the features of the self-assessment system (including automatic processing and adjustments) as applied to individuals, associations of persons (AOPs) and companies.[2]

b) Assess the procedures and apply the due dates for furnishing a return, a wealth statement or a foreign income and assets statement.[2]

c) Explain the circumstances in which a person is not required to file a return.[1]

d) Analyse the circumstances and limitations applicable to a revision of a return or a statement.[2]

e) Assess the powers of the FBR to enforce filing of returns.[2]

f) Assess the restrictions on economic transactions by certain persons.[2]

g) Analyse the procedure for and circumstances under which best judgement assessment is issued by the Commissioner and its features.[2]

h) Assess the provisions relating to the revision of an order by the Commissioner and the Chief Commissioner.[2]

i) Assess how and when the Commissioner, the Commissioner (Appeals) and the Appellate Tribunal can rectify an order.[2]

j) Analyse the records which a taxpayer needs to maintain in Pakistan, the period during which the records are to be retained and the consequences of not doing so.[2]

k) Explain cases in which compulsory registration is required.[1]

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4. Payment of income tax

a) Assess and apply the due dates for payment of tax.[2]

b) Apply the basis for determining the amount of advance tax payable on a quarterly basis by a taxpayer and compute relevant amounts.[2]

c) Assess the option for a taxpayer to pay advance tax on the basis of an estimate or revised estimate of the tax payable and analyse the consequences of non-payment or an underestimate.[2]

d) Assess when and how the Commissioner Inland Revenue can substitute the taxpayer's estimate of advance tax with its own.[2]

e) Assess and apply the mandatory provisions requiring a company to estimate the tax payable for the relevant year at any time before the last instalment and pay advance tax accordingly, and the consequences of non-payment or an underestimate.[2]

f) Assess the basis for determining the amount of advance tax payable by a taxpayer, other than an individual investor, on a quarterly basis on capital gains on sale of securities.[2]

5. Withholding of tax at source

a) Assess the obligations of persons to withhold tax on making certain types of payments.[2]

b) Assess the obligations of persons to collect tax on certain transactions with respect to both residents and non-residents.[2]

c) Analyse the tax implications of failure to deduct or collect tax or to pay the tax deducted or collected to the government treasury.[2]

d) Assess the powers of the Commissioner to issue a certificate exempting an amount from deduction or collection of tax or allowing the deduction or collection of tax at a lower rate.[2]

e) Assess the collection of advance tax at source at the time of filing provincial sales tax returns from a person whose name does not appear in the active taxpayer's list by provincial revenue authorities.[2]

f) Calculate the amount of withholding tax which should be withheld by a withholding agent.[2]

g) Assess the classes of income or transactions and situations in which:[2]

(i) The tax paid or collected in advance or deducted at source is the final tax.
(ii) The tax collected or deducted at source is allowed as a tax credit.
(iii) The tax collected or deducted at source is the minimum tax under the minimum tax regime.

h) Apply the withholding tax rules to tax withheld from persons whose names do not appear on the active taxpayers' list.[2]

i) Assess and apply the procedure for claiming a refund of taxes.[2]

j) Calculate the additional payment due to a taxpayer on a delayed refund of tax.[2]

k) Assess and apply the provisions relating to the collection of tax from importers.[2]

6. The procedures relating to enquiries, audits, disputes and appeals

a) Assess the circumstances and the time limitations under which the Commissioner can enquire into a self-assessment order and amend and further amend an assessment including by a faceless assessment.[2]

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b) Analyse the procedure for an audit, including a faceless audit, of a person's tax affairs.[2]

c) Assess the powers of the FBR to select a person or class of persons for audit of their tax affairs.[2]

d) Assess and apply the provisions relating to an agreed assessment.[2]

e) Assess and apply the provisions relating to alternative dispute resolution and algorithmic settlement mechanism.[2]

f) Assess and apply the provisions relating to advance tax rulings by the FBR.[2]

g) Analyse the procedures for dealing with appeals before the Commissioner (Appeals) and the Appellate Tribunal.[2]

7. Default surcharge and penalties for non-compliance

a) Assess the circumstances in which default surcharge can be levied and calculate relevant amounts.[2]

b) Assess when the default surcharge levied will be reduced.[2]

c) Assess the penalties which can be applied in relation to non-compliance:[2]

(i) non-submission of returns, statements, and/or information.
(ii) non-declaration of business bank account.
(iii) failure to maintain records.
(iv) concealment or under-reporting of income.
(v) the making of false statements or declaration.
(vi) non-payment of tax.
(vii) non-deduction, non-collection of withholding tax or non-payment of withheld tax.
(viii) failure to produce records in response to a notice for audit.

B Income tax liabilities of individuals and association of persons

1. The scope of income tax on individuals and association of persons (AOP)

a) Explain how the residence of an individual is determined.[1]

b) Explain which entities are included in the definition of an AOP.[1]

c) Explain how the residence of an AOP is determined.[1]

d) The tax year:

(i) Compare the difference between a normal tax year, a special tax year and a transitional tax year.[2]
(ii) Analyse the procedure for adopting a special tax year or a normal tax year.[2]

e) Tax accounting:

(i) Analyse the concept of computing income in accordance with the method of accounting regularly employed by a taxpayer and the procedure for changing the method of accounting.[2]
(ii) Assess the methods of accounting which can be adopted by a taxpayer for computing income chargeable under the different heads of income.[2]
(iii) Compare and contrast cash basis accounting and accrual basis accounting.[2]

f) Apply the rules to determine the fair market value of any property or rent, asset, service, benefit or perquisite.[2]

g) Assess whether a given payment or receipt is capital or revenue in nature.[2]

h) Analyse how foreign currency amounts are treated for tax purposes.[2]

i) Assess the income derived by a person from a source of income which has ceased.[2]

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j) Income:

(i) Assess what constitutes income for tax purposes.[2]
(ii) Summarise the heads of income under which income chargeable to tax is classified.[1]

k) Assess when two or more persons are considered to be associates and the implications where transactions between associates are on a non-arm's-length basis.[2]

l) Disposal and acquisition of assets:

(i) Assess when a person is treated as having acquired an asset.[2]
(ii) Analyse the situations when a person is treated as having disposed of an asset.[2]
(iii) Analyse the implications of the disposal of an asset in a non-arm's length transaction.[2]
(iv) Analyse the transactions relating to disposals of assets where no gain or loss is recognised.[2]
(v) Analyse the treatment of the application of a business asset to personal use and the application of a personal asset to business use.[2]
(vi) Analyse the concepts for the determination of the cost of an asset and the consideration received on disposal.[2]

m) Geographical source of income:

(i) Analyse the concept of Pakistan-source income.[2]
(ii) Assess when a source of income is considered to be foreign-source income.[2]
(iii) Analyse how Pakistan-source income and foreign-source income is taxed for resident and non-resident persons.[2]
(iv) Apply the rule regarding deductibility of expenditure incurred in deriving foreign-source income under a head of income.[2]
(v) Assess how a foreign-source loss can be carried forward and utilised.[2]

n) Non-resident persons:

(i) Explain the concept of a permanent establishment (PE) and apply the principles to determine whether a PE exists in Pakistan.[2]
(ii) Explain the concepts of royalty and fees for technical services, and assess the criteria used to determine when such income constitutes Pakistan-source income.[2]

2. Income from employment

a) Assess the income which is taxable under the head of salary.[2]

b) Assess the factors which determine whether an engagement is treated as employment or self-employment.[2]

c) Apply the receipts basis of assessment to salary income, including benefits and perquisites, and assess when a person is treated as having received an amount, benefit or perquisite.[2]

d) Assess when an allowance is not treated to have been expended in the performance of an employee's duty.[2]

e) Compare the perquisites, allowances and benefits which are assessed to tax with those which are exempt.[2]

f) Assess the situations when an amount or perquisite received by an employee from a person other than their employer is assessable to tax as salary income.[2]

g) Apply the basis for determining the value of perquisites, allowances and benefits assessable to tax, including the concept of fair market value.[2]

h) Assess the tax consequences of employee share schemes.[2]

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i) Assess the option available to an employee for payment of tax on amounts received (1) on termination of employment or (2) as salary in arrears and calculate the tax.[2]

j) Assess the taxation of amounts received as a gratuity, pension and commutation of pension.[2]

k) Apply the rule that no expenditure is allowable as a deduction in deriving amounts chargeable to tax under the head of salary.[2]

l) Assess the difference in the tax treatment of amounts received from a recognised provident fund and an unrecognised provident fund.[2]

m) Calculate the amount of income assessable.[2]

3. Income from business

a) Assess the income which is taxable under the head income from business.[2]

b) Apply the rules relating to the deductions which are expressly not allowable either fully or partly.[2]

c) Apply the rules relating to unpaid expenditure at the end of three years immediately following the tax year in which the expenditure was allowed as a deduction, and the treatment when such expenditure is wholly or partly paid in a subsequent tax year.[2]

d) Apply the rules relating to a receipt by a person in cash or in kind in respect of any expenditure or loss previously allowed as a deduction. [2]

e) Assess the tax implications of a trading liability which has been allowed as a deduction for which the taxpayer has derived any benefit.[2]

f) Bad debts:

(i) Analyse the conditions to be satisfied for a bad debt to be claimed as a deduction.[2]
(ii) Assess the tax implications of amounts recovered against debts previously allowed as a deduction.[2]

g) Analyse the provisions relating to profit on debt and apply the rules regarding admissibility of profit on debt, financial costs or lease payments as deductions.[2]

h) Assess which pre-commencement expenditure is deductible.[2]

i) Assess which scientific research expenditure is deductible.[2]

j) Assess the extent to which expenditure on employee training and facilities is deductible.[2]

k) Capital allowances:

(i) Explain what constitutes structural improvement in relation to immovable property.[1]
(ii) Calculate the cost of an asset for depreciation and initial allowance purposes, and the consideration received on disposal.[2]
(iii) Analyse the situations in which a taxpayer is eligible for depreciation allowances and initial allowances. [2]
(iv) Apply the rules under which initial allowance is not admissible on certain assets.[2]
(v) Calculate admissible depreciation on an asset used partly in a business chargeable to tax and partly for some other purpose.[2]
(vi) Apply the provisions relating to capital allowances on plant or machinery which has been used previously in Pakistan or used in a period in which income was exempt from tax.[2]
(vii) Calculate depreciation allowances and initial allowances.[2]

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(viii) Calculate the balancing adjustment on the disposal of buildings and motor cars whose cost was restricted for the purposes of claiming depreciation.[2]

l) Intangibles:

(i) Analyse the concept of intangible.[2]
(ii) Calculate the cost of an intangible and assess the conditions to be met for claiming a deduction for amortisation.[2]
(iii) Calculate the amortisation deduction of an intangible used in deriving income from a business chargeable to tax, including an intangible used partly in a business chargeable to tax and partly for some other purpose.[2]
(iv) Calculate consideration received on the disposal of an intangible.[2]
(v) Calculate the taxable income or loss on the disposal of an intangible, including an intangible used partly in a business chargeable to tax and partly for some other purpose.[2]

m) Relief for losses:

(i) Analyse how losses under a head of income in a tax year, can be set off in that year.[2]
(ii) Assess how unadjusted business losses (not set off against income) can be carried forward and the order of adjustment of losses of more than one year.[2]
(iii) Apply rules relating to carry forward and utilisation of unadjusted business losses and unadjusted amounts on account of depreciation allowances, initial allowances, intangible amortisation and pre-commencement expenditure.[2]

n) Speculative business:

(i) Explain what constitutes speculative business and analyse the treatment of such business.[2]
(ii) Prepare a computation of income of a speculative business and assess the treatment of profit or gains.[2]
(iii) Analyse the treatment of speculative losses including carry forward and utilisation of such losses.[2]

o) Analyse how an AOP and its members are taxed in respect of income derived by the AOP.[2]

4. Income from property

a) Assess which income is taxable under the head income from property.[2]

b) Compare the types of rent which are categorised as from property with those from other sources.[2]

c) Assess and apply the treatment of amounts received from tenants which are not adjustable against the rent payable.[2]

d) Calculate taxable income from property after allowable deductions.[2]

5. Income from other sources

a) Assess which income is taxable under the head income from other sources.[2]

b) Analyse and apply the allowable deductions from the different categories of income from other sources.[2]

c) Analyse which dividends are assessable under the final tax regime, and which are assessable as income from other sources.[2]

d) Assess and apply the treatment of an amount received as consideration for vacating the possession of a building.[2]

e) Analyse the circumstances under which an amount received by a person (other than from a banking company or financial institution) as a loan, advance, or deposit for the issuance of shares is considered income chargeable to tax.[2]

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f) Analyse the circumstances in which a gift received by a person is treated as income of the person.[2]

6. The comprehensive computation of total income and tax liability

a) Apply the rules relating to the apportionment of common expenditure incurred in the derivation of:[2]

(i) More than one head of income.
(ii) Income chargeable to tax under a head of income and to some other purpose.
(iii) Income where the tax paid or collected in advance or deducted at source is the final tax.

b) Apply the provisions relating to the following allowances which can be deducted from total income:[2]

(i) Zakat.
(ii) workers' welfare fund.
(iii) workers' participation fund.
(iv) educational expenses.

c) Prepare a computation of taxable income and calculate the income tax payable.[2]

d) Explain and apply the special provisions relating to small and medium enterprises.[2]

e) Apply the order in which tax credits are deducted from the tax payable including surcharges.[2]

f) Calculate the tax credit available on the foreign-source income of a resident taxpayer, on which foreign income tax has been paid.[2]

g) Apply the rule that the income of joint owners of any property is assessed to tax when their respective shares are definite and ascertainable.[2]

h) Minimum tax:

(i) Analyse and apply the concept of 'turnover' and minimum tax payable 'thereon' by an individual and an AOP.[2]
(ii) Assess and apply how minimum tax paid can be carried forward and utilised.[2]

i) Calculate the super tax payable by high earning persons.[2]

j) Calculate tax on certain receipts of individuals from life insurance businesses.[2]

k) Calculate the tax payable on digital transactions in e-commerce platforms.[2]

l) Assess and apply the rules to prevent double derivation and double deduction.[2]

7. The use of exemptions and reliefs in minimising tax liabilities

a) Apply provisions relating to exemptions and tax reliefs given in the Second Schedule.[2]

b) Assess agricultural income and its exemption from income tax.[2]

c) Assess the exemption available on foreign-source salary received by a resident individual.[2]

d) Assess the exemption available on the foreign-source income of short-term resident individuals.[2]

e) Assess the taxability of the foreign-source income of a returning expatriate.[2]

f) Assess the exemption available on salary income earned outside Pakistan to citizens of Pakistan who leave Pakistan in a tax year and remain abroad during that year.[2]

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g) Assess the extent to which exemptions are available to an employee on the receipt of pensions, gratuities and sums from provident funds.[2]

h) Apply the exemption available to an employee in respect of a medical allowance or medical expenses borne or reimbursed by the employer.[2]

i) Calculate the tax credit available to an individual or an AOP on charitable donations.[2]

j) Calculate the tax credit available to an individual Pakistani on contributions to approved funds, plans and schemes under the Voluntary Pension System Rules, 2005.[2]

k) Calculate the tax credit available for interest paid on low-cost housing loans.[2]

l) Calculate the tax credit available for integration of business with FBR's computerised system.[2]

m) Apply the principle that exemption from tax given to the original recipient of income cannot be extended to any other person receiving a payment out of that exempt income.[2]

n) Apply the rule that exemptions and tax provisions in other laws are not available unless so provided in section 54 of the Income Tax Ordinance, 2001 (the Ordinance).[2]

C Income tax liabilities of companies

1. The scope of income tax on companies

a) Explain how the residence of a company is determined.[1]

b) Apply learning outcomes B1(d) – (n) to companies.[2]

c) Assess the circumstances in which income from a controlled foreign company is taxable in Pakistan.[2]

d) Analyse the treatment of bonus shares issued by a company to a shareholder.[2]

2. Income from business

a) Calculate the income chargeable to tax under the heading income from business.[2]

b) Apply the general principle of allowability of expenditure and assess the items of expenditure which are expressly not deductible either fully or partly.[2]

c) Apply learning outcomes B3(c)-(l) and B3(n) to companies.[2]

d) Relief for losses:

i) As for individuals and AOPs.[2]
ii) Apply the rules of group taxation and group relief.[2]

e) Analyse the conditions to be satisfied for claiming a transfer to participatory reserve as a deduction and the consequences of any part of the reserve being applied for a purpose other than that specified.[2]

f) Explain and apply the provisions in relation to thin capitalisation.[2]

g) Explain and apply the restrictions on claim of profit on debt payable to associated enterprises.[2]

3. Income from property and other sources

a) Apply learning outcomes in B4 and B5 to companies.**[2]**

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4. The comprehensive computation of taxable income and tax liability

a) Prepare a computation of total income, involving income chargeable under the various heads of income.[2]

b) Apply the principles and rules relating to the apportionment of common expenditure (as for individuals and AOPs).[2]

c) Calculate the deductions allowable against total income.[2]

d) Calculate the tax credit available on the foreign-source income of a resident company, on which foreign income tax has been paid.[2]

e) Assess the effect of withholding taxes on payments made to and by companies.[2]

f) Apply the order in which tax credits are to be deducted from tax payable.[2]

g) Minimum tax:

(i) Apply the concept of 'turnover' and minimum tax payable 'thereon'.[2]
(ii) Analyse how minimum tax paid can be carried forward and utilised.[2]

h) Alternative corporate tax:

(i) Assess the situations under which alternative corporate tax would be payable.[2]
(ii) Analyse incomes which are to be excluded from accounting income for computing alternative corporate tax.[2]
(iii) Calculate the alternative corporate tax.[2]

i) Calculate the super tax payable by high earning companies.[2]

5. The use of exemptions and reliefs in minimising tax liabilities

a) Apply the provisions relating to exemptions and tax reliefs given in the Second Schedule.[2]

b) Assess agricultural income and its exemption from income tax (as for individuals and AOPs).[2]

c) Calculate the tax credit available to a company on charitable donations.[2]

d) Calculate the tax credit available to a company for employment generation by a manufacturer.[2]

e) Calculate the tax credit available to a company for integration of business with FBR's computer system.[2]

f) Explain and assess the tax credits available for charitable organisations.[2]

g) Apply the rules regarding limitation of an exemption and tax provision in other laws (as for individuals and AOPs).[2]

D Capital gains

1. The scope of the taxation of capital gains

a) Assess what constitutes a 'capital asset' and a 'security' for the purpose of the computation of capital gains.[2]

b) Contrast the gains and losses chargeable under the head capital gains and those chargeable under the other heads of income.[2]

c) Assess the situations in which a person holding an asset is treated as having made a disposal of that asset (as for individuals and AOPs).[2]

2. The computation of gains and losses

a) Analyse and apply the various concepts for determining consideration.[2]

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b) Assess the implications of disposing of an asset in a non-arm's length transaction.[2]

c) Assess when a person is treated as having acquired an asset.[2]

d) Calculate the cost of an asset and assess the situations in which this will not equal the amount actually expended.[2]

e) Assess the cost of a capital asset when it is received (1) under a gift, bequest or will (2) by succession, inheritance or devolution (3) on the distribution of assets on the dissolution of an AOP or on the liquidation of a company, or (4) when the price is paid otherwise than through the banking channel.[2]

f) Losses:

(i) Assess and apply the treatment of capital losses including how such losses can be set off and carried forward and utilised.[2]
(ii) Assess on the disposal of which assets, capital losses are not recognised.[2]
(iii) Apply the limitations on set off and carry forward of losses on disposal of securities.[2]

g) Calculate the amount chargeable to income tax under the head of capital gains for individuals, AOPs and companies.[2]

3. The use of exemptions and reliefs in minimising tax liabilities

a) Apply the provisions relating to exemptions and reliefs given in the Second Schedule.[2]

b) Assess the transactions relating to a disposal of assets where no gain or loss is recognised.[2]

c) Assess the disposals of assets on which capital gains are exempt.[2]

d) Apply the rules regarding limitation of an exemption and tax provisions in other laws (as for individuals and AOPs).[2]

E Sales tax

1. The scope of sales tax

a) Explain the scope of sales tax on the supply of goods.[1]

b) Apply the provisions relating to sales tax chargeable on the retail price basis.[2]

c) Compare and contrast general sales tax and retail tax.[2]

d) Summarise the principal zero-rated and exempt supplies and assess the difference in treatment.[1]

e) Summarise the principal goods chargeable to sales tax at reduced rates under the Eighth schedule.[1]

2. The registration and de-registration requirements

a) Assess the circumstances in which a person must register for sales tax.[2]

b) Assess the circumstances in which pre-registration input tax can be claimed.[2]

c) Assess how and when a person can deregister and the circumstances in which the sales tax authorities can deregister or blacklist a person or suspend a person's registration.[2]

d) Assess who is an active taxpayer and analyse the restrictions and limitations which can be imposed on a person who ceases to be an active taxpayer.[2]

3. The computation of sales tax liabilities

a) Calculate the sales tax liability for retailers including Tier –I retailers, wholesale cum retail outlets, importers, other traders and manufacturers.[2]

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b) Calculate the sales tax liability where supplies are made to registered and non-registered persons.[2]

c) Assess the value of supply and time of supply of a transaction.[2]

d) Explain and apply the restrictions for claiming input tax.[2]

e) Apply the mode of apportionment of input tax between taxable and non-taxable supplies.[2]

f) Analyse the circumstances in which debit notes and credit notes can be issued.[2]

g) Analyse how excess input tax will be carried forward and refunded.[2]

h) Apply the concept of federal excise duty collection under the sales tax mode.[2]

4. Sales tax returns, refunds and representations

a) Explain when and how sales tax returns must be submitted, including special and final returns.[1]

b) Analyse the procedure for getting an extension to the return filing date.[2]

c) Explain when and how a sales tax return can be revised.[1]

d) Analyse the implications of a sales tax invoice which is incorrect or incomplete.[2]

e) Explain the functions and obligations of authorised representatives and e-intermediaries.[1]

5. Payment of sales tax, sales tax deducted at source and refund of sales tax.

a) Apply the principles governing the timing and manner of sales tax payments.[2]

b) Assess the levy and the procedure related to collection of tax on specified goods on value addition.[2]

c) Apply the rules regarding adjustment of input tax.[2]

d) Analyse the procedure for claiming refunds of sales tax.[2]

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7. Approach to examining the syllabus

The syllabus for E1 Taxation (E1 PKN) is assessed by a three-hour computer-based examination.

The examination will consist of two sections:

Section A will contain 15 two-mark objective test questions (OTs).

Section B will contain six constructed response questions (CRs). Four of the CR questions will be worth 10 marks each and two of the CR questions will be worth 15 marks each. The two 15-mark questions will focus on income tax liabilities of individuals and AOPs (syllabus area B) and income tax liabilities of companies (syllabus area C).

All other questions can cover any areas of the syllabus.

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

8. Guide to ACCA examination structure and delivery mode

The structure of examinations varies, depending on the level of the qualification.

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

All Expertise examinations are assessed by three-hour computer-based examinations.

The pass mark for all Expertise examinations is 50%.

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9. Guide to ACCA 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 specified financial accounting, audit and tax examinations, except if 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), regulation issued, or legislation passed on or before 31 August annually, will be assessed from 1 September of the following year to 31 August of the year after. Please refer to the examinable documents for the examination (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates may be examinable if the effective date is in the future, unless explicitly stated otherwise in the syllabus and study guide or examinable documents. The terms 'issued' or 'passed' relate to when regulation or legislation has been formally approved.

The term 'effective' relates to when regulation or legislation must be applied to 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, where applicable.

For E1 PKN, generally examinations in June and December will be based on legislation (including Ordinance) which received President's Assent on or before the previous 30 September. Note: Exceptionally, the examination in June 2027 will be based on legislation which received President's Assent by 30 September 2025 and only the examination in December 2027 will be based on legislation which received President's Assent by 30 September 2026.

For the avoidance of doubt, the latest Finance Act which will be examined in E1 PKN in December 2027 is the Finance Act 2026.

10. Learning hours and education 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 candidates 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 qualifications are recognised and valued by governments and regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the educational frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

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