



STRATEGIC LEVEL – ADVANCED TAX STRATEGY

EDUCATORS BRIEFING 2020/21

	Topic	Guidelines
1	Comments on Performance in 2020 Examinations:	<p>Performance was very good in the 2020 exam cycle. Only one exam was undertaken in 2020 due to the COVID pandemic.</p> <p>Students adapted to the online environment extremely well. The use of the excel function enhanced answers and marks for the majority of candidates. Timing did not appear a significant factor.</p> <p>There were minimal candidates that did not attempt the required number of questions. This was a positive development.</p> <p>As mentioned in previous briefings, generic transcribing from the core texts provided limited marks. Many students were able to apply the tax legislation to the facts of the case studies and this lead to a number of candidates achieving excellent results.</p> <p>Areas where excellent knowledge was displayed by many candidates include:</p> <ul style="list-style-type: none"> - Corporate tax group - intra group transfer of assets - The participation exemption - The foreign earners deduction - VAT group registration - CGT retirement relief - CAT business property relief and - CAT agricultural property relief <p>Areas on the syllabus which require improvement include:</p> <ul style="list-style-type: none"> - Group corporation tax loss offsets. - Stamp duty knowledge - The scope of CAT - Knowledge of the tax implications of

		a trust set up by will
2	Learning Outcomes:	<p>The aims, minimum intended learning outcomes, indicative syllabus and learning guide are listed on pages 64 to 69 (inclusive) of the CPA Syllabus 2021.</p> <p>Candidates must be able to:</p> <ul style="list-style-type: none"> • appraise given scenarios and integrate tax knowledge across various tax heads to develop relevant tax compliance and planning advice for individuals, employers and corporate clients. • advise on Revenue Powers and the scope of a Revenue Audit to ensure client / management compliance. • advise on tax efficient investments or expenditure appropriate to clients' or employers' current and expected financial circumstances to legitimately optimise exposure to tax. • assess all requests for advice, to ensure compliance with all relevant legislation and the Institute's Code of Ethics. • discuss the current issues in tax policy both nationally and internationally. <p>Candidates should focus on framing their advice in a way that a client, without a background in taxation will understand. It is important to note that some questions may require candidates to make assumptions. If such assumptions are made, these should be stated clearly.</p>
3	Syllabus Changes:	Updated syllabus and naming of the paper to 'Advanced Tax Strategy'.
4	Format of the Examination Papers for 2021:	<p>The format is open book and is exactly the same as in 2020 and previous years.</p> <p>The exam will contain one compulsory case study question worth 40 marks and four shorter case studies worth 20 marks each. Candidates must attempt three from four of the shorter 20 mark case studies.</p> <p>In line with previous years, each case study will not simply require candidates to perform calculations, state provisions or conditions. Application of the tax law and</p>

		<p>provisions to the facts of the case study will be required.</p> <p>In addition, candidates will be required to provide tax advice and highlight tax planning opportunities. Candidates must display an ability to deal with the interaction of the different taxes to a particular set of facts.</p> <p>To ensure that marks can be awarded where appropriate, where a candidate makes an assumption, this should be stated clearly.</p> <p>Candidates are strongly advised to use past exam papers (from 2012 to date) to become familiar with the case study format and the level of application of the tax knowledge that is required. However, it should be remembered that the published solutions are based on the legislation for a previous tax year. In addition, the articles and webinars published by the examiner since 2012 are also a very important resource.</p>
5	Education Focus for 2021:	<p>In each exam, candidates will be presented with five case studies and candidates are expected to provide tax advice based on the facts outlined in the case study. Below are some key areas identified for 2020:</p> <ul style="list-style-type: none"> • The scope of income and capital taxes depending on residence and/or domicile status. To include double taxation relief. • Income tax reliefs for employee share incentive schemes. • New company relief with particular focus on EIS. • Company group relief particularly group loss offsets and terminal loss relief. • Clearance and withholding tax issues. • Trusts – tax associated with transferring assets to trust, taxes during life of trust and tax implications of assets being transferred out of trust. • Revenue audit code of practice to include Revenue powers and abilities to obtain information. • Stamp duty reliefs including

		<p>reconstruction/amalgamation relief.</p> <ul style="list-style-type: none">• Key corporation tax reliefs associated with reorganisations and corporation tax incentives to include the knowledge development box and specified intangible assets.• Close company implications for companies and shareholders/participants.• VAT on property – to include the VAT implications associated with letting.• Tax implications associated with the sale of company assets v share sale.• The taxes and reliefs associated with the incorporation of a trade.• Scope of CAT and key reliefs for lifetime and death transfers including agricultural relief, business property relief and CGT/CAT offset.• Key CGT reliefs including principle private residence relief and transfer of a site to a child.
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