

STAGE: PROFESSIONAL 2

Subject Title:

ADVANCED TAXATION

Examination Duration: 3.5 hours (Open Book)

Aim

The aim of this subject is to ensure that students understand and can apply the principles and practice of advanced taxation, and are able to identify and resolve practical taxation problems. Students are expected to interpret and apply relevant case law and to advise on the most tax efficient structures.

Advanced Taxation as an Integral Part of the Syllabus

Advanced Taxation develops the students' knowledge and competence in tax acquired in Taxation (F2). There are also linkages to, Advanced Corporate Reporting, Audit Practice and Assurance Services, Strategy & Leadership, Strategic Corporate Finance, and Strategic Performance Management (all at P2).

Stage	Subject	Subject	Subject	Subject	Subject	Subject
P2	Strategic Corporate Finance	Strategic Performance Management	Advanced Corporate Reporting	Strategy & Leadership	Audit Practice and Assurance Services	Advanced Taxation
P1		Managerial Finance	Corporate Reporting	Corporate Laws and Governance	Auditing	
F2		Management Accounting	Financial Accounting	Information Systems	Taxation	
F1			Management in Organisations	Economics and Business Planning	Business Law and Professional Ethics	

Advanced Taxation further integrates and builds on, as appropriate, the capabilities developed in Taxation (F2).

Learning Outcomes

On successful completion of this subject, students should be able to:

- Apply the computational rules for Income Tax in the preparation of Income Tax returns and advise on appropriate tax planning measures, including the use of available reliefs and allowances.
- Apply the computational rules for Corporation Tax in the preparation of Corporation Tax returns and advise on appropriate tax planning measures including the use of available reliefs.
- Apply the computational rules for Capital Gains Tax in the preparation of Capital Gains Tax returns and advise on appropriate tax planning measures including the use of available reliefs.
- Advise on the requirements of a Revenue Audit so as to enable client / employer compliance.
- Advise clients and or management on the operation of the VAT system and provide appropriate tax planning advice with respect to VAT.
- Advise clients and or management on the operation of the Capital Acquisition Tax (CAT) system and provide appropriate tax planning advice with respect to CAT
- Discuss the principles of Stamp Duties and calculate any duty tax payable having optimised the use of any available reliefs.
- Integrate their learning across the various (examinable) tax heads in the appraisal of complex tax issues so as to provide clients and or management with optimum tax planning advice that is within the legal and ethical frameworks.

Syllabus

1: INCOME TAX	CL*
Residence and domicile.	3
Cases I, II, III, IV and V of Schedule D.	3
Schedule E.	3
Schedule F.	3
Tax-Based Incentives.	3

Withholding Taxes.	3
Charges.	3
Exemptions.	3
Anti-Avoidance.	3
Employment and Investment Incentive Scheme, Film Relief and Seed Capital Relief.	3
Employee incentive schemes including profit sharing schemes, ESOTS and Save As You Earn Schemes.	2
Special Assignee relief programme	1
Foreign Earnings deduction	3
Double taxation relief available to individuals	2
Income Tax position of trustees and beneficiaries of Irish trusts	2
Research and Development credit surrender for key employees	2

2: CORPORATION TAX

Adjustments to the accounting profits for tax purposes, claiming capital allowances, and the impact of changes to accounting periods	3
Close companies, including definitions, meaning of participator and effect of close company status. Distributions, including meaning of distribution, classes of distribution and their calculation and dividend withholding tax.	3
Groups, including annual payments and losses for Groups / Consortia.	3

2: CORPORATION TAX

Utilisation of losses, including Cases I, III, IV, V losses, terminal losses and capital losses. 3
Corporation Tax Reliefs, including tax incentives, R&D Tax Credits, Holding Company Regime.
Company Residence, Double Taxation Relief, and treatment of branches.
Exemption for start-up companies.

Anti-avoidance. 2

3: CAPITAL GAINS TAX

Computation of Capital Gains Tax liabilities for both individuals and companies. 3

Share Valuations 3

The scope of Capital Gains Tax Retirement Relief. 3

Capital Gains Tax and trusts 3

Revised Entrepreneur Relief 3

Transfer of business to company. 3

Development land. 3

Wasting Assets. 3

Interaction with CAT. 3

Acquisition by a company of its own shares. 3

Principal Private Residence Relief. 3

Paper for paper relief. 3

Group Transfers. 3

Reconstruction relief. 3

Clearance Certificates/Withholding tax. 3

Anti-avoidance. 2

Negligible value claims 2

4: REVENUE AUDITS

The Code of Practice for Revenue Audit; the Customer Service Charter; the role of Special Investigations 3

Mandatory disclosure 3

Revenue powers. 3

Prosecution policy within the Revenue 3

Penalties and Interest. 3

5: VAT

General principles of VAT. 3

Supplies of goods. 3

Supplies of services. 3

Exemptions. 3

Amount on which tax is chargeable. 3

VAT rates, self supplies. 3

VAT on property. 2

EU VAT legislation/regulations. 2

International Transactions. 2

Anti-avoidance. 2

6: CAPITAL ACQUISITIONS TAX

Principles of CAT including territorial scope.	3
General exemptions including significant buildings and works of art.	3
Agricultural Relief.	3
Business Property Relief.	3
The use and taxing of Discretionary Trusts.	2
Anti-avoidance.	2

7: STAMP DUTY

Stamp Duty including transfers between associated companies and reconstruction / amalgamation relief.	1
Stamp Duty with respect to property transactions.	1
Anti-avoidance.	1
Stamp duty on transfers to young trained farmers.	1

Assessment Strategy**EXAMINATION APPROACH**

This subject should be approached on the basis that it is the final subject in taxation and is mandatory for those students wishing to satisfy the requirements to obtain a practising certificate, post qualification. The examination paper is equally balanced between tax planning and tax computation. Marks are awarded for structured and rationally based conclusions. Students are expected to select and integrate relevant syllabus material from Advanced Taxation and other subjects where this is appropriate to the analysis and solution of the case-study.

Students are required to analyse complex tax issues and integrate their learning across different tax heads. They should apply that learning to provide the optimal tax planning guidance within the legal and ethical frameworks. Overall, students are expected

to demonstrate a high level of intellectual, technical, personal and communications skills including analytical, numeracy, ethical sensitivity, and report writing competencies.

EXAMINATION FORMAT

The examination is open book and 3.5 hours duration. It consists of one compulsory 40-mark case-study, and four questions of 20 marks each, three of which must be answered.

Marks Allocation	Marks
Question 1 case-study (Compulsory)	40
Questions 2 to 5 (Answer any three)	60
	Total 100

Learning Resources**CORE TEXTS**

Corporate and Individual Tax Planning (RoI) 2018/19 / CAI / 2018

Business Decisions and Transaction Taxes (RoI) 2018/19 / CAI / 2018

Irish Taxation Advanced (Finance Act 2017) / Paula Byrne/ Griffith College/ ISBN: 978-1999304706

MANUALS

Griffith College Dublin CPA P2 Taxation - Latest edition

SUPPLEMENTARY TEXTS

Martyn and Shanahan / Taxation Summary Finance Act 2017 / Irish Taxation Institute.

Tax Guide 2015; A Guide to Irish Law / Bloomsbury 2015 / ISBN-13: 978-1780437002

Irish Taxation: Law & Practice 2018/2019 / Irish Taxation Institute 2018

Revenue Statements of Practice & Tax Briefings.

AccountancyPlus.

CPA Students' eBulletin

USEFUL WEBSITES (AS AT DATE OF PUBLICATION)

www.cpaireland.ie - CPA Ireland.

www.revenue.ie - The Revenue Commissioners' website.

www.taxworld.ie/ - Taxworld.

www.taxinstitute.ie - Irish Tax Institute