

PAPER 4 – TAXATION MANAGEMENT & ETHICS

Learning Objective

The objective of this paper is to examine students' ability to provide taxation advice in a clear, reasoned and ethical manner.

Revenue powers and Revenue audits will be dealt with comprehensively as part of this paper. Students will be expected to have an in-depth knowledge of these topics with the objective of being able to apply their knowledge to a real set of circumstances.

Each exam question will be presented in the form of a case study setting out a scenario where taxation advice is required. These case studies will be based, to the extent possible, on scenarios likely to be encountered by practising tax professionals.

Learning outcomes:

By the end of this course, students should be able to:

- » Analyse the case study and interpret the information provided
- » Deal with specific technical issues arising
- » Identify the taxation issues
- » Address all relevant taxes in their answers, as well as display knowledge of non-taxation subjects, namely law and accountancy
- » Suggest a possible course or alternative courses of action that address the taxation issues in a commercially sound manner
- » Write clear and unambiguous advice which displays an appreciation of the business/ commercial issues involved
- » Display a detailed knowledge of all reliefs available under each tax head. Emphasis will be placed on the knowledge of tax reliefs and the ability to identify and apply such reliefs.
- » Identify potential conflicts arising due to differing conditions or rules applicable to different taxes
- » Research from various sources (including registration case law and Revenue practice) and across various tax heads and apply to multi-discipline case studies
- » Have thorough knowledge of Revenue Audits and Revenue Powers and apply knowledge to a set of circumstances.

It is vital to note that:

- » As is the case in the commercial world, a number of possible solutions to the examination questions may arise.
- » Candidates will not be expected to provide detailed computations of tax liabilities arising. An approximate calculation of potential liabilities will suffice.
- » Ethics and issues relating to the money laundering provisions will comprise between 5% and 15% of this paper.
- » The examination of ethics will be confined to the Institute's Code of Professional Conduct and Recommended Best Practice Guidelines, as well as the ITI publication *Money Laundering: Guidelines on the Money Laundering Legislation for Tax Advisers* and the ITI's Tax Policy Framework. Candidates can expect the topic to be examined from a practical aspect as part of a case study.
- » The case studies may include foreign aspects. Candidates will be expected to deal with only the Irish taxation consequences arising.
- » In answering the examination questions, candidates may be required to make certain realistic assumptions; these assumptions should be indicated in their answers.

Format of Paper 4

The examination will consist of three compulsory case-study questions which will not necessarily carry equal marks. The marks may range from 20 to 50 marks per question. Candidates will be allowed 3.5 hours to complete the examination.

Because of the purpose and nature of this examination, there is no formal syllabus. Scenarios may include:

- » Revenue audits and Revenue powers
- » Corporate structures (e.g. incorporation of a business)
- » Share transactions (e.g. share schemes, buy-back of shares)
- » Passing on a family business (e.g. sale of business, passing on to next generation)
- » Married and separated couples
- » Property planning (e.g. dealing in or developing land, structuring of property transactions)
- » Persons coming to and leaving Ireland (e.g. residence, domicile)
- » Estate planning (e.g. passing on wealth, including foreign assets)
- » Tax structures for investing in overseas property and related interest relief
- » Ethics and related issues (e.g. ITI Code of Professional Conduct)
- » Anti-avoidance

N.B. This list is not exhaustive