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### ABOUT THE AITI REGISTERED TAX CONSULTANT QUALIFICATION

The AITI qualification is Ireland's leading taxation qualification and is held by the majority of Ireland's most experienced tax consultants, many of whom are involved in delivering the AITI Registered Tax Consultant programme. The qualification has been established for over 30 years and the many AITI Registered Tax Consultants working throughout the public and private sectors are testament to the prestige of the qualification and the calibre of its graduates.

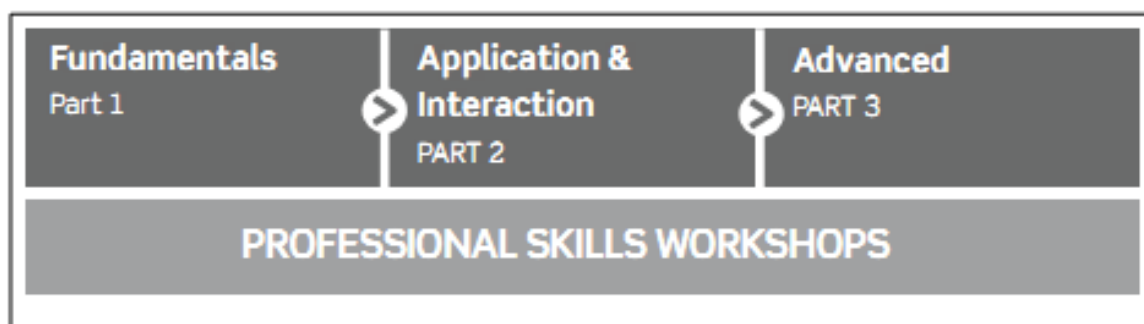
Students gain a deep insight into how our tax laws are formed and how these laws are applied to key commercial transactions and acquire the professional skills required of an outstanding tax consultant. They learn about the relevant corporate, legal and accounting issues which underpin, broaden and enhance the skill set of an individual obtaining the AITI Registered Tax Consultant qualification.

The AITI Registered Tax Consultant qualification is the pre-eminent qualification for tax consultants in Ireland. The qualification is dedicated to providing students with the skills necessary to become an AITI Registered Tax Consultant who can provide technically correct and commercially sound tax advice.

Tax is an ever-changing and ever-increasing body of legislation, precedents and practice. The AITI Registered Tax Consultant programme provides the vital competency of "learning to learn" so AITI Registered Tax Consultants can keep abreast of relevant developments throughout their career.

The AITI Registered Tax Consultant programme offers blended learning consisting of weekend lectures, small group Professional Skills Workshops, e-learning, assignments and continuous assessment. Students on a course are provided with comprehensive course materials including manuals for each subject, past papers and tax legislation. They have access to Student TaxFind and the students' area of the website through which they will be kept up to date regarding the course. They also receive electronic publications such as TaxFax, Tax Relay and *Irish Tax Review*.

The AITI Registered Tax Consultant programme is a progressive three-part programme during which students will acquire the skills and competencies needed to provide commercially focused and technically sound taxation advice. The AITI Registered Tax Consultant programme is a cumulative and fully integrated curriculum. Each Part builds on the knowledge and skills acquired by students at previous Parts.



### **What Will I Study**

The AITI Registered Tax Consultant programme takes an over-arching look at all tax heads, building from the fundamental to the advanced level.

### **Fundamentals – Part 1**

Students cover the key principles for the taxation of individuals while gaining the competence to use tax legislation and case law and translating the principles for taxpayers. Students acquire the skills and knowledge to undertake financial reporting and disclosures for tax figures and obtain knowledge of the Irish and EU legal systems and the fundamental legal concepts required to provide comprehensive tax advice.

#### **You will study**

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Income Tax Fundamentals

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Capital Gains Tax Fundamentals

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Financial Reporting & Tax Accounting Fundamentals

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Law Fundamentals

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### **Application & Interaction – Part 2**

Through interpreting relevant income, capital and indirect tax provisions, and applying the findings to the circumstances of individuals and companies, students learn to advise individual and corporate tax payers on their tax issues. Students learn how to clearly set out tax advice and to project manage the effective implementation of the advice provided including knowing when input is required from other professionals. Related legal and accounting issues are also covered.

#### **You will study**

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Personal Taxes: Application & Interaction

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Business Taxes: Application & Interaction

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Indirect Taxes: Application & Interaction

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Capital Taxes: Application & Interaction

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### **Advanced – Part 3**

Students focus on providing comprehensive advice across all tax heads, while understanding the related legal and accounting issues. Students understand the importance of providing efficient tax advice and of offering alternatives which reflect the commercial reality of the taxpayer. Students obtain a thorough understanding of the impact of Revenue powers, Revenue audits and mandatory reporting.

#### **You will study**

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Advanced Personal Taxes

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Advanced Business Taxes

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Advanced Indirect Taxes

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Professional Advice, Tax Audits & Ethics

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### **Professional Skills Workshops**

AITI Registered Tax Consultants need to have the skills to gather facts, carry out focused research, identify relevant legal and accounting issues and formulate advice to a taxpayer. They need to communicate complex tax matters as professional tax advice and project-manage the effective implementation of the advice provided to include any compliance related issues. These essential skills – to research, evaluate, conclude advice, communicate and implement – are developed in the Professional Skills Workshops.

The skills developed through these workshops will specifically be examined through Home Assignments throughout the AITI Registered Tax Consultant programme. These skills are also key to performing well in the end-of-course examinations.

The Professional Skills Workshops are delivered through small interactive tutorial groups across the AITI Registered Tax Consultant programme.

Throughout the AITI Registered Tax Consultant programme students will study the tax consequences of many events such as:

#### **THE TAX, LEGAL AND ACCOUNTING CONSEQUENCES OF DOING BUSINESS**

- Multinationals doing business in Ireland including principles of international taxation, the Irish holding company regime, international anti-avoidance measures and exit tax issues
- Setting-up, acquiring, expanding, operating, closing down or winding-up a business
- Group structures such as payment groups, use of losses, transfer of assets, VAT grouping, restructuring or reorganisations

#### **THE TAX AND LEGAL CONSEQUENCES OF FINANCIAL TRANSACTIONS**

- Borrowing and lending money
- Leasing
- Investment and disposal of investments:
  - Property
  - Financial assets
  - Tax shelters
  - Overseas

#### **THE TAX AND LEGAL CONSEQUENCES OF EVERYDAY ISSUES**

- Employment, trade, professional and partnership income
- Determining whether someone is employed or self-employed
- Employer payroll tax issues including share-based methods of remuneration, benefits and pensions
- VAT implications of business transactions
- Revenue powers, Revenue audits and anti-avoidance provisions
- Transactions between companies and their shareholders, such as dividends

## ASSESSMENT OF THE AITI PROGRAMME

### Continuous Assessment

Students will be expected to complete continuous assessment in a number of specific subjects at each Part (see below). Continuous assessment will carry marks towards the final examinations and will comprise Home Assignments and Interim Exams.

- **Interim Exams**

Interim Exams will take place on 28 January 2012 and 30 June 2012.

- **Home Assignments**

Students must complete Home Assignments in certain subjects during the academic year which will carry marks towards the final examination. These assignments will assess the key skills acquired in the Professional Skills Workshops.

### Examinations

Students must complete the relevant examinations at all Parts.

AITI REGISTERED TAX CONSULTANT PROGRAMME	Fundamentals PART 1	Application & Interaction PART 2	Advanced PART 3
	Income Tax Fundamentals Exam 85% Home Assignment 15%	Personal Taxes Application & Interaction Exam 85% Home Assignment 15%	Advanced Personal Taxes Exam 85% Interim Exam 15%
	Financial Reporting & Tax Accounting Fundamentals Exam 100%	Business Taxes Application & Interaction Exam 85% Interim Exam 15%	Advanced Business Taxes Exam 85% Home Assignment 15%
	Law Fundamentals Exam 100%	Indirect Taxes Application & Interaction Exam 100%	Advanced Indirect Taxes Exam 100%
	Capital Gains Tax Fundamentals Exam 85% Interim Exam 15%	Capital Taxes Application & Interaction Exam 100%	Professional Advice, Tax Audits & Ethics Exam 100%
	Professional Skills Workshop	Professional Skills Workshop	Professional Skills Workshop

**COURSE MATERIALS FOR THE AITI PROGRAMME**

Students are provided with the legislation which is the core text for the AITI Programme. Student manuals provide interpretations of the legislation relevant to the learning outcomes for each module and provide guidance on how to apply those interpretations.

Each module has a dedicated student manual which may also be relevant to other modules. This table illustrates which manuals relate to each module. Students at each Part also receive a manual containing past exam papers for each module.

Part 2 students receive a copy of the Capital Gains Tax manual to facilitate revision for those who have been granted an exemption.

Each manual refers students to the relevant legislation for each module and to further reading.

Fundamentals Part 1	Application & Interaction Part 2	Advanced Part 3
<b>Income Tax Fundamentals</b> <ul style="list-style-type: none"> <li>▪ Personal Taxes manual</li> </ul>	<b>Personal Taxes: Application &amp; Interaction</b> <ul style="list-style-type: none"> <li>▪ Personal Taxes manual</li> <li>▪ Law for Tax Professionals manual</li> </ul>	<b>Advanced Personal Taxes</b> <ul style="list-style-type: none"> <li>▪ Advanced Personal Taxes manual</li> </ul>
<b>Financial Reporting &amp; Tax Accounting Fundamentals</b> <ul style="list-style-type: none"> <li>▪ Tax Accounting manual</li> </ul>	<b>Business Taxes: Application &amp; Interaction</b> <ul style="list-style-type: none"> <li>▪ Business Taxes manual</li> <li>▪ Tax Accounting manual</li> <li>▪ Law for Tax Professionals manual</li> </ul>	<b>Advanced Business Taxes</b> <ul style="list-style-type: none"> <li>▪ Advanced Business Taxes manual</li> <li>▪ Tax Accounting manual</li> <li>▪ Law for Tax Professionals manual</li> </ul>
<b>Law Fundamentals</b> <ul style="list-style-type: none"> <li>▪ Law for Tax Professionals manual</li> </ul>	<b>Indirect Taxes: Application &amp; Interaction</b> <ul style="list-style-type: none"> <li>▪ Indirect Taxes manual</li> <li>▪ Law for Tax Professionals manual</li> </ul>	<b>Advanced Indirect Taxes</b> <ul style="list-style-type: none"> <li>▪ Indirect Taxes manual</li> </ul>
<b>Capital Gains Tax Fundamentals</b> <ul style="list-style-type: none"> <li>▪ Capital Gains Tax manual</li> </ul>	<b>Capital Taxes: Application &amp; Interaction</b> <ul style="list-style-type: none"> <li>▪ Capital Acquisitions Tax manual</li> <li>▪ Stamp Duties manual</li> <li>▪ Law for Tax Professionals manual</li> </ul>	<b>Professional Advice, Tax Audits &amp; Ethics</b> <ul style="list-style-type: none"> <li>▪ Professional Advice, Tax Audits &amp; Ethics manual</li> <li>▪ All other AITI student manuals</li> </ul>

### **HOW TO USE THIS SYLLABUS**

This syllabus has been designed to be comprehensive and transparent. Each learning outcome maps to your student manuals.

- Each subject is divided into over-arching learning objectives.
- Each learning objective is sub-divided into detailed learning outcomes.
- For ease of reference these learning outcomes have been grouped together as chapters.
- Each learning outcome appears as a section heading in the chapter so that you can track your studies more easily.

### COMPETENCIES OF AN AITI REGISTERED TAX CONSULTANT

The AITI Registered Tax Consultant qualification is a comprehensive and cumulative curriculum which covers all taxes. Throughout the programme students will acquire detailed tax knowledge and the requisite professional skills to work as an AITI Registered Tax Consultant.

#### Learning Objectives

A qualified AITI Registered Tax Consultant will be able to:

##### Advisory Skills

- Apply knowledge, understanding and problem solving abilities to determine the tax treatment of practical scenarios
- Provide clear and unambiguous taxation advice on business decisions, investment transactions and life events, that is both technically sound and commercially appropriate across all taxes
- Apply analytical skills and an in-depth knowledge of tax law and compliance processes to support taxpayers in meeting their tax obligations
- Carry out focused research across Irish, European and international tax law and Revenue practice leading to technically sound conclusions
- Analyse and evaluate alternative potential solutions and identify optimal outcomes
- Translate complex legal concepts and communicate implications to taxpayers, including individuals, corporates and other entities
- Support the successful implementation of tax advice through planning and project management
- Integrate relevant legal and accounting considerations, as well as the impact of risk, ethics, corporate governance and commercial issues, to ensure relevant analysis and sound advice

##### Technical Knowledge

- Identify the relevant sources of tax law and guidance including: the Constitution and the EC Treaty; Irish statutes, EU directives and tax treaties; tax cases and rulings from the European Court of Justice; and guidance from the OECD and other international bodies
- Interpret legislation, case law and Revenue precedents and practices, and apply knowledge of business, personal and transaction taxes to meet the circumstances of individual and corporate taxpayers
- Understand the interaction of direct and indirect Irish taxes and the interaction of Irish tax with the taxes of other countries
- Compute the Irish tax liability for a taxpayer, incorporating the taxing and relieving measures, including claw back provisions, relevant to their specific circumstances

##### Ethics

- Carry out professional activities with integrity, objectivity and independence, to a high professional standard and with due care and consideration
- Adhere to statutory and regulatory obligations, and observe the ITI Code of Conduct

**Fundamentals – Part 1**

**Income Tax Fundamentals..... 10**

**Financial Reporting & Tax Accounting Fundamentals ..... 15**

**Law Fundamentals..... 19**

**Capital Gains Tax Fundamentals ..... 22**

**Professional Skills Workshops ..... 27**

## Income Tax Fundamentals

This subject is an introduction to the taxation of Irish individuals. It covers the fundamentals of Irish income tax (including PRSI and the Universal Social Charge). It involves referring to the relevant provisions of the Taxes Consolidation Act 1997 and applying the findings of relevant case law throughout.

### Learning Objectives

Upon completion of this subject, students will be able to:

1. Explain the context of the Irish tax system
2. Determine where an individual is resident, ordinarily resident or domiciled for Irish tax purposes, and use this to establish the scope of the charge to Irish income tax
3. Determine the capital allowances available and the tax adjusted profits for a self-employed individual
4. Determine an individual's taxable rental income
5. Recognise the different types of investment income and determine how each is charged to income tax
6. Recognise the different payments that make up employment income and calculate an individual's taxable employment income
7. Compute the income tax liability of an individual, claiming all available reliefs, credits and exemptions
8. Calculate the taxable income of a married couple and civil partners
9. Calculate the PRSI and the Universal Social Charge payable by a self-employed or employed individual and explain the eligibility provisions for the main PRSI benefits.
10. Identify when an income tax return must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.

### Assessment

Examination	85%
Continuous Assessment	15%

**1. Explain the context of the Irish tax system****Introduction to tax in Ireland**

- Evaluate the principles of a fair and efficient tax system
- Evaluate tax as a method of implementing government policy
- Evaluate Ireland's tax base and any alternatives available
- Explain the influences and confines which frame the Irish taxation system

**Introduction to income tax**

- Identify profits or gains which are taxable under income tax
- Outline the territorial scope of the charge to income tax
- Outline the Schedular system for categorising sources of income
- Outline the main sources of law for income tax
- Outline the tax rates, credits and bands

**2. Determine where an individual is resident, ordinarily resident or domiciled for Irish tax purposes, and use this to establish the scope of the charge to Irish income tax****Residence, ordinary residence and domicile**

- Establish the scope of an individual's charge to Irish income tax and conclude on the extent of the charge to Irish income tax on a range of domestic and foreign income sources where the individual is resident, ordinarily resident or domiciled in Ireland
- Describe how and when an individual can elect to be tax resident

**3. Determine the capital allowances available and the tax adjusted profits for a self-employed individual****Taxation of business income - Schedule D Case I and II**

- Define what constitutes a profession
- Based on various sources of law, conclude on what constitutes a trade. Use this to decide whether or not a trade is carried on in practical situations.
- Outline the general basis of assessment for Schedule D Case I and II
- Interpret legislation, using case law where necessary, to identify taxable and non-taxable income for the purposes of arriving at Case I and Case II profits
- Interpret legislation, using case law where necessary, to identify allowable and disallowable expenditure for the purposes of arriving at Case I and Case II profits
- Compute the taxable profit of a sole trader applying the above rules and reliefs

**Computation of capital allowances for Schedule D Case I and Case II**

- Outline the basis period for capital allowances
- Describe how grants received are treated for the purposes of capital allowances
- Interpret legislation, using case law where necessary, to identify when expenditure qualifies as "plant" for capital allowances purposes.
- Summarise the conditions that must be fulfilled for capital allowances to be available on plant and machinery
- Describe the tax implications of disposing of an asset on which capital allowances were claimed
- Assess if capital allowances on plant and machinery are available in a practical situation and calculate any allowances available
- Summarise the conditions that must be fulfilled for capital allowances to be available for motor cars
- Assess if capital allowances on motor cars are available in a practical situation and calculate any allowances available

- Interpret legislation, using case law where necessary, to identify what constitutes an Industrial Building
- Summarise the conditions that must be fulfilled for industrial buildings allowances to be available
- Describe the tax implications of disposing of an asset on which industrial buildings allowances were claimed
- Assess if capital allowances on an Industrial Building are available in a practical situation and calculate any allowances available

#### **4. Determine an individual's taxable rental income**

##### **Taxation of rental income: Schedule D Case V**

- Interpret legislation to identify what income is taxable under Schedule D Case V
- Outline the basis of assessment for Schedule D Case V
- Interpret legislation, using case law where necessary, to identify allowable and disallowable expenditure for the purposes of arriving at Case V profits
- Explain the implications of claiming certain reliefs
- Compute Case V profits applying the above rules and reliefs

#### **5. Recognise the different types of investment income and determine how each is charged to income tax**

##### **Taxation of investment income: Schedule D Case III**

- Interpret legislation to identify what income is taxable under Schedule D Case III
- Outline the basis of assessment for Schedule D Case III
- Identify when withholding tax arises on investment income and show how it is treated in a tax computation
- Compute Case III profits and any associated tax relief applying the above rules and reliefs

##### **Taxation of other income: Schedule D Case IV**

- Interpret legislation to identify what income is taxable under Schedule D Case IV
- Outline the basis of assessment for Schedule D Case IV
- Explain the operation of the DIRT system to Irish and EU deposit income
- Identify when DIRT arises and show how it is treated in a tax computation
- Compute Case IV profits and any associated tax relief applying the above rules and reliefs

##### **Taxation of Irish dividend income: Schedule F**

- Interpret legislation to identify what income is taxable under Schedule F
- Outline the basis of assessment for Schedule F
- Interpret legislation to determine when and how dividend withholding tax should apply to dividends paid by Irish companies to Irish individual shareholders
- Compute Schedule F income and any associated tax relief applying the above rules and reliefs

#### **6. Recognise the different payments that make up employment income and calculate an individual's taxable employment income**

##### **Taxation of employment income: Schedule E**

- Interpret legislation to identify the scope of Schedule E
- Outline the basis of assessment for Schedule E
- Use the principles of established case law to distinguish between the terms “office” and “employment”

- Use the principles of established case law to define the terms “emoluments” and “perquisite”
- Contrast the meaning of a perquisite with a benefit in kind
- Interpret legislation, using case law where necessary, to determine how non-cash benefits are subject to Schedule E
- Interpret legislation, using case law where necessary, to determine the test of deductibility of expenses against Schedule E income
- Interpret legislation to determine when the reimbursement of expenses by an employer gives rise to a taxable benefit and when it does not
- Interpret legislation and explain the relief available for termination payments
- Assess whether the special termination payment relieving provisions apply
- Separate a termination payment into its taxable and non-taxable elements.
- Outline the administrative procedures surrounding any claim for relief from tax on termination payments
- Compute the Schedule E income and any associated tax relief applying the above rules and reliefs

**7. Compute the income tax liability of an individual, claiming all available reliefs, credits and exemptions**

**Personal tax charges, allowances, credits and exemptions**

- Interpret legislation to describe the tax relief available for various payments made by an individual, including:
  - Donations (charitable and to sports bodies)
  - Permanent health insurance
  - Employing a person to take care of an incapacitated individual
  - Covenants
- Interpret legislation to identify the personal tax credits and reliefs available to an individual by virtue of their personal circumstances
- Interpret legislation to identify the tax credits available for various payments made by an individual
- Compute the personal tax charges, allowances and credits available to an individual
- Interpret legislation to identify the income tax exemptions that exist due to the personal circumstances of the taxpayer or the source of the income
- Compute the taxable income of an individual after claiming all exemptions
- Describe the employee tax relief available for the long-term unemployed

**Tax relief at source**

- Outline in principle how tax relief at source is granted.
- Using legislation, identify qualifying mortgage interest and calculate the amount of relief due
- Using legislation, identify qualifying medical insurance premiums and calculate the amount of relief due
- Compare this relief on medical insurance premiums to the relief available for health expenses and permanent health insurance
- Outline how the reliefs are claimed

**8. Calculate the taxable income of a married couple and civil partners****Taxation of married couples and civil partners**

- Interpret legislation to explain the different ways married couples or civil partners may be assessed to income tax, and prepare a tax computation based on each
- Calculate the relief available to a couple in the year of marriage/registration of the civil partnership
- Calculate the income tax liability arising for both the surviving spouse/civil partner and the deceased spouse/civil partner in the year of death, including any concessional treatment applied by Revenue

**9. Calculate the PRSI and the Universal Social Charge payable by a self-employed or employed individual and explain the eligibility provisions for the main PRSI benefits.****PRSI and the Universal Social Charge**

- Define the key terms used in relation to PRSI
- Interpret legislation to explain how the Universal Social Charge is applied
- Compare and contrast the different bases for income tax, PRSI and the Universal Social Charge
- Outline the relevant limits and exemptions that apply
- Illustrate with an example how PRSI and the Universal Social Charge are applied to employment income
- Illustrate with an example how PRSI and the Universal Social Charge are applied to self-employed income
- Explain the eligibility of individuals for the main PRSI benefits, including unemployment, maternity and retirement, and the impact of dependents on payment levels

**10. Identify when an income tax return must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.****Administration of self-assessment for individuals**

- Using legislation, outline the self assessment system for the collection of tax and filing of returns for individuals
- Outline which individuals are subject to this specific administration system, and apply the rules to conclude whether self-assessment obligations apply in particular cases
- Detail the registration procedure for self assessment
- Detail any returns of third-party information that may be required under self assessment
- Explain an individual's obligations under the Pay and File system
- Describe and compute the consequences of failing to file a return or pay a tax liability in full and on time
- Describe the appeals process as it applies to an individual within the self assessment system
- Prepare an income tax return

**Operation of the PAYE Collection system**

- Explain the principles of the operation of the PAYE collection system
- Describe the obligations of an employer in operating the PAYE system
- Describe the obligations of an employee in relation to the operation of the PAYE system
- Outline the practical considerations surrounding the application of the PAYE system

## Financial Reporting & Tax Accounting Fundamentals

This subject covers the preparation of books of first entry, using these to create financial statements and then analysing the information contained in the financial reports (such as the Directors' report and the notes to the financial statements). It also includes accounting for different taxes and preparing the tax disclosure notes for a company. While this subject is based on IFRS is also includes preparing the financial statements of sole traders and partnerships.

### Learning Objectives

Upon completion of this subject, students will be able to:

1. Explain accounting terminology, conventions and standard accounting practice
2. Describe the different types of entities and their different accounting requirements, and prepare basic financial accounts for each
3. Explain the purpose of financial reporting and prepare simple financial reports
4. Prepare the tax accounts and corporation tax disclosure for inclusion in financial accounts / reports
5. Perform a basic interpretation and analysis of information from the financial reports

### Assessment

Examination	100%
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**1. Explain accounting terminology, conventions and standard accounting practice****Introduction to basic accounting concepts**

- Define the main terms used in accountancy
- Explain the accounting equation
- Describe the basic principles which govern accounting

**Introduction to basic accounting practice**

- Define and explain the role of the books of first entry
- Define and explain the role of the nominal ledger
- Apply the knowledge of double entry book-keeping to prepare journals
- Explain the role of the trial balance
- Extract specific required information from the trial balance

**Sources of accounting rules and guidance**

- Describe statute and the stock exchange as a source of rules and guidance
- Describe how GAAP are a source of rules and guidance
- Examine how these rules are applied to a set of financial reports

**Accounting for specific items**

- Describe the accounting treatment of the following specific items:
  - Income tax and corporation tax
  - Property, plant & equipment
  - Impairments
  - Investments
  - Intangible assets
  - Inventory
  - Leases
  - Retirement benefit / pensions
  - Equity and financial liabilities
  - Provisions for bad debts
  - Reserves
- Describe the concept of functional currency and the circumstance in which non-euro functional currency is appropriate
- Outline which foreign exchange rate is used to translate different types of accounts

**2. Describe the different types of entities and their different accounting requirements, and prepare basic financial accounts for each****Accounting for various entities**

- Describe the different types of entities that prepare accounts
- Explain the background, capital structure and accounting for:
  - Sole trader
  - Partnership
  - Company
  - Branch

**3. Explain the purpose of financial reporting and prepare simple financial reports****Introduction to the financial reports**

- Explain what is meant by the term ‘Financial Statements’
- Prepare a basic Statement of Cash Flow for a company
- Explain the purpose of the Statement of Changes in Equity
- Describe the main notes and disclosures that form part of Financial Statements

**Group accounting**

- Define a group
- Explain what is meant by control with respect to group accounting
- Explain what adjustments are necessary when preparing group accounts
- Explain what is meant by ‘Presentation Currency’

**Obligations of Directors and Auditors**

- Set out the requirements surrounding the directors’ report
- Explain the purpose of a financial audit
- Describe how auditors are appointed and remunerated
- Describe auditors right of access to books and to attend and be heard at general meetings
- Identify if a company qualifies for any of the audit exemptions
- Describe the work needed to establish whether accounts are true and fair
- Describe the other Companies Acts’ reporting requirements of auditors
- Explain what is meant by “the Audit Expectation Gap”

**4. Prepare the tax accounts and corporation tax disclosure for inclusion in financial accounts / reports****Account for VAT and PAYE**

- Account for VAT
- Prepare a VAT reconciliation
- Explain how an Annual Return of Trading Details for VAT traders is used as an analytical tool
- Account for PAYE
- Prepare a PAYE reconciliation
- Explain how P35 is used as an analytical tool

**Account for withholding tax**

- Identify the items on which Irish withholding tax may be suffered
- Account for withholding tax where tax withheld goes separately to Revenue
- Account for withholding tax where withheld tax goes through the tax account
- Account for withholding tax on foreign income

**Other accounts of relevance to AITI students**

- Explain the purpose of the Directors’ current and loan accounts
- Outline the transactions that affect the Directors’ current accounts
- Prepare a Director’s current account

**Accounting for tax charges and provisions**

- Outline the requirements for accounting for current tax in the Statement of Comprehensive Income and Statement of Financial Position
- Explain the purpose of a tax account and the main differences between the account balance and the tax payment
- Calculate the current tax expense (or income) for the Statement of Comprehensive Income
- Calculate the impact on the tax account of payments of corporation tax and of tax withheld on income and expenses
- Calculate the accounting adjustments required for adjustment of prior year tax liabilities on submission of tax returns and on settlement of Revenue audits
- Calculate the current tax provision for the Statement of Financial Position
- Outline the requirements for accounting for deferred tax in the Statement of Comprehensive Income and Statement of Financial Position

**Tax disclosures relevant for IFRS**

- Outline the tax disclosures that are relevant to the Statement of Comprehensive Income
- Outline the tax disclosures that are relevant to the Statement of Financial Position
- Outline the tax disclosures that are relevant to the Statement of Cash Flows
- Explain the purpose of an effective current tax rate reconciliation
- Explain the main reconciling items
- Prepare an effective current tax rate reconciliation

**Reporting tax charges and provisions**

- Set out the requirements of the accounting standards (under FRS and IFRS) relevant to the reporting of current tax
- Reconcile the current expected tax charge with the current tax expense or income included in the income statement

**5. Perform a basic interpretation and analysis of information from the financial reports****Interpreting financial reports**

- Outline the circumstances when a business or company needs to be valued
- Apply the three basic methods of valuing a business
- Explain what is meant by EBITDA
- Explain the purpose of carrying out ratio analysis and analyse a set of financial reports using ratio analysis

**The implications of financing decisions**

- Outline the main sources of finance available to businesses
- Compare the financial implications of the different sources of finance
- Outline the financial implications of investment decisions

**Distributable reserves of a company**

- Identify the different forms of distribution and apply the legal rules that determine the distributable reserves of a private company
- Judge if the distribution restrictions for public limited companies apply
- Explain how preference share distributions work
- Explain the financial implications of a company's dividend policy

## Law Fundamentals

This subject is an introduction to the principals of the law of Equity, contract law, employment law, land law and an in depth analysis company law in Ireland.

### Learning Objectives

Upon completion of this subject, students will be able to:

1. Describe the role of Equity and its influence in the context of ownership and estoppel.
2. Apply the basic principles of contract law
3. Apply the basic provisions of employment law
4. Apply the basic principles of land law
5. Apply the main provisions of company law
6. Apply the basic legal principles surrounding personal bankruptcy

### Assessment

Examination	100%
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**1. Describe the role of equity and its influence in the context of ownership and estoppel.****Law of Equity**

- Explain and identify the different types of ownership interests which exist
- Describe the doctrine of “estoppel”

**2. Apply the basic principles of contract law****Contract law - forming a contract**

- Describe the necessary elements in making a valid contract
- Outline the main terms of a contract
- Determine a person’s capacity to enter into binding contracts

**Contract law - ending a contract**

- Identify whether or not a contract is invalid
- Identify whether or not a contract is unenforceable
- Describe the remedies available for breach of contract
- Describe the various ways the law may regard a contract as discharged

**3. Apply the basic provisions of employment law****Employment law**

- Outline the standard provisions of an employment contract
- Outline the main rights of employees

**4. Apply the basic principles of land law****Land law**

- Classify the rights, interests and types of ownership in land
- Describe the different transfers of ownership that can occur

**Leases**

- Identify the key features of a lease that make it a contract
- Describe the different types of tenancies that exist
- Contrast a licence with a lease

**5. Apply the main provisions of company law****Incorporating a company**

- Outline what is meant by a company, under Irish company law
- Define terms associated with forming companies
- List the documents needed to form a company
- Explain the nature of a share in a company
- Describe the legal relationship between companies and their shareholders
- Compare and contrast public and private companies and limited and unlimited companies
- Outline how a company can convert to a different type of company
- Contrast the typical governance procedures of a private company and a public company.
- Outline how a company’s agents may bind it

**Strike off provisions of company law**

- Describe how companies can be subject to strike-off
- Outline the legal effect of a strike-off
- Outline how a strike-off can be reversed

**Memorandum and Articles of Association**

- Outline the purpose of the Memorandum and Articles of Association
- Describe the standard contents of the Memorandum and Articles of Association and the purpose of each clause
- Explain the *ultra vires* rule, as amended by legislation
- Describe how the Memorandum and Articles of Association may be altered

**Meetings and proceedings**

- Explain the purpose of annual and extraordinary shareholder meetings
- Identify when a shareholder meeting must be held
- Describe how decisions are made at shareholder meetings

**Shares and share capital**

- Outline the main categories of share capital
- Describe how a company can increase its share capital
- Set out the rules affecting the issue of shares
- Describe the process by which shares may be transferred
- Describe a company's capital maintenance obligations and the consequences of non-compliance

**Directors of a company**

- Identify who is eligible to be a director of an Irish company
- Describe how directors are appointed and how they retire or are removed
- Describe the powers of directors
- Describe the duties of directors
- Identify to whom directors owe their duties
- Outline the different types of directors
- Describe the role of the Office of the Director of Corporate Enforcement

**Company compliance obligations**

- Describe company's duty to maintain proper books of account
- Describe company's duty to prepare annual accounts
- Describe the statutory obligation to make an annual return and the penalty for failure to comply
- Describe the transactions that must be reported in an annual return, and the timing of the filing of an annual return
- Describe foreign companies registration and filing requirements in Ireland

**6. Apply the basic legal principles surrounding personal bankruptcy****Borrowing and Security**

- Outline the legal issues surrounding personal bankruptcy

## Capital Gains Tax Fundamentals

This subject is an introduction to key features of taxation of capital gains for individuals, including what constitutes an asset or a disposal, the charge to capital gains tax (“CGT”) and the administration of the taxation system as it relates to CGT. It involves referring to the relevant provisions of the Taxes Consolidation Act 1997 and applying the findings of relevant case law throughout.

### Learning Objectives

Upon completion of this subject, students will be able to:

1. Determine where an individual is resident, ordinarily resident or domiciled for Irish tax purposes, and use this to establish the scope of the charge to Irish CGT
2. Determine whether or not there has been a disposal of an asset which could give rise to CGT
3. Apply the capital gains tax rules relating to valuing acquisitions and disposals
4. Compute the CGT liability of an individual, claiming all available reliefs and exemptions
5. Calculate the CGT arising on transactions between civil partnerships, a married or separated couple
6. Outline the CGT implications of a taxpayer’s death
7. Calculate the CGT arising on the sale of shares and business assets
8. Calculate the CGT arising on leases and other property transactions
9. Identify when a CGT return must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.

### Assessment

Examination	85%
Continuous Assessment	15%

**1. Determine where an individual is resident, ordinarily resident or domiciled for Irish tax purposes, and use this to establish the scope of the charge to Irish CGT**

**Introduction to capital gains tax**

- Identify profits or gains which are taxable under CGT
- Outline the key aspects of a CGT computation – disposal, consideration, base cost, chargeable gain and tax payable
- Explain the basis of assessment for CGT
- Outline the territorial scope of the charge to CGT
- Outline the main sources of law
- Outline the tax rates applicable
- Compare and contrast the tax base for CGT and income tax

**Residence, ordinary residence and domicile**

- Interpret legislation to define an individual's residence and ordinary residence
- Define the legal concept of "domicile" from a tax perspective
- Apply legislation and the principles from established case law to determine an individual's residence and domicile for a tax year
- Explain an individual's right of appeal against Revenue's decision on their domicile
- Outline the CGT implications of an individual's residence, ordinary residence and domicile
- Explain when non-residents can be charged to Irish CGT
- Compare the effect of residence, ordinary residence and domicile on the scope of the charge to CGT and to income tax

**2. Determine whether or not there has been a disposal of an asset which could give rise to CGT**

**Assets**

- Define the meaning of "asset" for CGT purposes
- Describe and apply the rules regarding the location of assets
- Describe and apply the rules regarding wasting assets
- Apply the CGT rules to analyse whether items are assets or not

**Disposals**

- Define the disposal of assets for CGT purposes
- Apply the rules to determine whether a disposal has been made in practical cases
- Describe the treatment of insurance and compensation monies
- Describe the treatment of assets used as security
- Describe the treatment of disposals by nominees and trustees
- Interpret legislation to identify when a disposal is made

**3. Apply the capital gains tax rules relating to valuing acquisitions and disposals**

**Valuation and consideration**

- Explain how to deal with consideration that is partly capital and partly revenue in nature
- Explain the interaction of CGT with balancing charges
- Explain how and why market value is sometimes imposed, and identify occasions when this will happen on disposals
- Illustrate how consideration denominated in a foreign currency is treated for CGT purposes
- Interpret legislation to identify the value of acquisition or disposal

**Costs of acquisition**

- Interpret legislation to define the cost of an asset
- Explain how incidental costs are treated for CGT purposes
- Explain the treatment of enhancement expenditure
- Explain why market value is sometimes imposed, identify occasions when this will happen on acquisitions and compare this to the position for disposals
- Explain how the costs of acquisition are arrived at in the case of assets derived from other assets
- Explain how the costs of acquisition are arrived at in the case of wasting assets
- Illustrate how costs of acquisition denominated in a foreign currency are treated for CGT purposes
- Interpret legislation to identify the cost of acquisition

**4. Compute the CGT liability of an individual, claiming all available reliefs and exemptions****Losses**

- Interpret legislation to explain how loss relief is granted for CGT purposes
- Outline how relief is granted for losses on chattels (both those that qualify for capital allowances and those for personal use)
- Outline the timing of loss relief with respect to other reliefs and exemptions
- Explain how the market value rules on transactions between connected persons interact with loss relief
- Interpret legislation to explain the basis for negligible value claims
- Compute the relief available for losses in a practical case

**Indexation relief and the annual exemption**

- Describe indexation relief and how it applies to assets acquired both before and after 6 April 1974
- Describe the restrictions on indexation relief:
- Outline an individual's entitlement to the annual exemption
- Apply indexation relief and the annual exemption to a disposal chargeable to CGT

**Other exemptions**

- Outline the main exemptions from CGT, comparing these to the equivalent exemption from income tax where relevant,
- Identify when an asset is a chattel and apply the relevant exemptions

**Reliefs**

- Interpret legislation to explain Principal Private Residence ("PPR") relief from CGT
- Compute PPR relief available in practical cases
- Explain the interaction of PPR with rent-a-room relief
- Interpret legislation to explain the relief available on the disposal of a site to a child

## 5. Calculate the CGT arising on transactions between a married or separated couple and civil partnerships

### Taxation of married couples and civil partnerships

- Explain the methods of assessment to CGT for married couples and civil partnerships
- Outline how reliefs apply for married couples and civil partnerships
- Outline the specific reliefs available on the transfer of assets between spouses and civil partners, including:
  - Disposals between spouses / civil partners living together
  - Disposal to surviving spouse / civil partner on death
- Conclude, based on tax law, whether a couple are entitled to claim these spousal / civil partners reliefs
- Compare this to the treatment of the transfer of assets between spouses / civil partner on separation
- Compare this to the treatment of the transfer of assets on divorce
- Compute the CGT liability of a married couple or civil partnership
- Compare the CGT treatment to the treatment of civil partnerships, married, separated and divorced couples for income tax

## 6. Outline the CGT implications of a taxpayer's death

### Taxation on death

- Interpret legislation to assess the CGT implications on the transfer of assets on death
- Outline how gains arising to the deceased up to the date of death are treated
- Outline how losses in the year of death are treated
- Calculate any CGT implications of the transfer of assets on death

## 7. Calculate the CGT arising on the sale of shares and business assets

### Companies and their shareholders

- Outline the basic rules relating to the disposal of shares for CGT purposes
- Applying first principles, determine the taxation implications of share transactions
- Describe how share for share exchanges are treated for tax purposes comparing the implications of the inclusion of cash to straight share for shares
- Explain the reason for the introduction of the "four-week rule", on share disposals
- Interpret legislation to explain the application of the "four week rule"
- Prepare a pro-forma share history
- Compute the CGT arising on share transactions

### Retirement relief on the disposal of business or farm assets

- Interpret the legislation providing for "retirement relief" from CGT
- Define key terms specific to retirement relief
- Explain how the relief applies in the context of disposing of:
  - A family business
  - A farm
  - A family company
  - A family holding company
- Contrast the relief available for sole traders and shareholders
- Explain if/when marginal relief is available in each of the above scenarios
- Outline the impact of change in ownership on the eligibility to claim the relief due to:
  - Death of a spouse
  - Company re-organisation or amalgamation
- Compute the CGT due on a disposal to which retirement relief applies

**8. Calculate the CGT arising of leases and other property transactions****The CGT treatment of leases of land and property**

- Apply first principles of CGT to calculate the CGT arising on leases
- Interpret legislation to determine the CGT arising on granting:
  - A long lease out of a freehold/long lease
  - A short lease out of a freehold/long lease
  - A short lease out of a short lease
- Outline how the sale of a lease differs from its grant, including:
  - Sale of a long lease
  - Sale of a short lease
- Compare the CGT treatment of short leases to the income tax treatment

**Development land**

- Interpret tax law to define development land for CGT purposes
- Interpret legislation to explain how disposals of development land are taxed
- Judge whether a disposal involves development land and calculate any arising tax or restrictions of reliefs

**9. Identify when a CGT return must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.****Withholding tax provisions**

- Interpret legislation to identify the occasions when withholding tax applies to CGT transactions
- Outline the procedures the purchaser must follow to account for and return this withholding tax
- Outline the procedure for gaining a capital gains tax clearance certificate
- Explain how WHT applies in situations where no cash changes hands

**Self-assessment**

- Using legislation, outline the self assessment system for the collection of tax and filing of returns for individuals
- Prepare the CGT entries on an individual tax return
- Compare self-assessment for CGT and self-assessment for income tax

## Professional Skills Workshops

These workshops develop students' ability to identify the income tax issues affecting a tax payer, find legislation and case law relevant to those issues, interpret this legislation and case law and apply it to the facts in a given case study. Students must draft advice to the taxpayer clearly setting out their tax obligations and assist taxpayers in implementing the advice provided. Students should also identify input required from other advisers.

### Learning Objectives

Upon completion of these workshops, students will be able to:

1. Describe the context and confines of law in Ireland
2. Identify the relevant sources of law
3. Describe the role of the Irish and European courts in a tax context
4. Interpret legislation and case law
5. Carry out focused research leading to technically sound conclusions
6. Translate complex legal concepts and communicate implications as professional tax advice
7. Project-manage the effective implementation of advice provided

### Assessment

The skills attained through completion of this workshop will be examined through the home assignment for Income Tax Fundamentals.

### Research materials

- Taxes Consolidation Act 1997
- Relevant Irish and International case law

**1. Describe the context and confines of law in Ireland****The nature and history of law in Ireland**

- Describe the historical development of the Irish legal system
- Describe the nature of the European Union and how membership has impacted on Irish law

**2. Identify the relevant sources of law****Sources of law**

- Identify the hierarchy of sources of law
- Describe common law as a source of law
- Describe Irish domestic legislation as a source of law
- Explain the Constitution as a source of law
- Describe the various sources of European law
- Assess the interaction of the Constitution with European law
- Assess the interaction of legislation with the Constitution and European law
- Describe other sources of law

**3. Describe the role of the Irish and European courts in a tax context****The Irish Courts system in a tax context**

- Outline the legal basis of the Irish Courts
- Describe the role and purpose of the Appeal Commissioners
- Describe the role and purpose of the District Court
- Describe the role and purpose of the Circuit Court
- Describe the role and purpose of the High Court
- Describe the role and purpose of the Supreme Court
- Describe the role of the Attorney General and the Director of Public Prosecution
- Outline the judicial review process

**The European Court of Justice (ECJ)**

- Explain the mission of the ECJ
- Describe the ways in which a case can come before the ECJ

**4. Interpret legislation and case law****Interpreting legislation**

- Explain the presumptions that apply in interpreting legislation
- Set out the rules of interpretation
- Identify other aids to interpretation of legislation

**Interpreting case law**

- Explain judicial precedent as a source of law
- Identify the different elements of a judgement
- Interpret a case and explain the ruling

**5. Carry out focused research leading to technically sound conclusions****Research**

- Identify any potential tax issues included in a narrative case study
- Research across Irish law and Irish and international case law as applicable to the tax issues, using the most appropriate taxation or legal database(s)
- Prepare a file note documenting research using the appropriate legal writing guidelines

**6. Translate complex legal concepts and communicate implications as professional tax advice****Writing tax advice**

- Prepare a letter of advice to your client

**7. Project-manage the effective implementation of advice provided****Implementation**

- Identify the steps required to implement any advice provided
- Prepare an implementation plan for the advice provided

**Application & Interaction – Part 2**

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## Personal Taxes: Application and Interaction

This subject draws on knowledge from Income Tax Fundamentals and Capital Gains Tax Fundamentals on the taxation of individuals. It covers income tax (including PRSI and the Universal Social Charge) and capital gains tax as they apply to an individual. It involves referring to and interpreting the relevant provisions of the Taxes Consolidation Act 1997 and applying the findings of relevant case law throughout.

### Learning Objectives

On completion of this module, you will be able to:

1. Establish an individual's charge to income tax and CGT based on their personal circumstances
2. Advise on the taxation of trade and professional income for individuals and partnerships
3. Advise on the taxation of property transactions
4. Advise on the taxation of foreign source profits and investment income
5. Advise on the taxation of Irish source employment income
6. Advise on the application of tax incentives, charges on income and the restriction on tax reliefs for high earners
7. Advise on the taxation of married, cohabiting, separated, widowed and divorced couples and civil partners
8. Advise on the sale or succession of incorporated and unincorporated businesses
9. Describe the transactions that give rise to, and the relief available for, the deduction of income tax at source
10. Advise on the application of specific anti-avoidance rules

### Assessment

Examination	85%
Continuous Assessment	15%

**1. Establish an individual's charge to income tax and CGT based on their personal circumstances****Residence, ordinary residence and domicile**

- Establish an individual's charge to the domicile levy
- Establish an individual's charge to income tax and CGT based on differing circumstances of residence, ordinary residence and domicile
- Outline the tax credit entitlements of non-residents and compute the Irish tax liability of non-resident individuals in receipt of Irish source income

**2. Advise on the taxation of trade and professional income for individuals and partnerships****Taxation of business income - Schedule D Case I and II**

- Apply case law and legislation to explain when a trade commences and when it ceases, applying the rules to practical examples
- Outline the basis of assessment for Case I and II in relation to start-ups, cessations and changes in accounting date
- Apply principles from established case law to determine whether the trade is carried on in Ireland or abroad
- Calculate the tax, PRSI and Universal Social Charge payable by an individual on their trading or professional income

**Trading or professional loss relief**

- Conclude, based on various sources of law, what relief is available for trading or professional losses
- Interpret legislation to explain how trade charges interact with losses
- Interpret legislation to explain what relief is available for losses incurred outside of Ireland
- Calculate the loss relief available applying the above rules
- Assess how best to use the available loss relief

**Case I and II capital allowances: Anti avoidance provisions and interaction with losses**

- Explain the reason for anti-avoidance provisions relating to capital allowances
- Apply the anti-avoidance provisions relating to capital allowances
- Explain how capital allowances interact with losses
- Calculate the relief available for capital allowances and losses

**Rules relating to the taxation of specific businesses carried on by an individual**

- Interpret legislation to explain the taxation implications of appropriations to and from trading stock
- Summarise the special tax rules which apply to farmers and calculate the tax, PRSI and Universal Social Charge due on farming income
- Conclude whether or not a partnership exists
- Outline the implications of a partnership
- Compare limited partnerships and a limited liability partnership to general partnerships and compare a partnership to a company
- Explain how a partner can leave a partnership
- Distinguish between a partnership, a sole trader and other collective arrangements
- Distinguish between a general partner and a limited partner
- Outline the special rules relating to the basis of assessment and scope of income tax in relation to partnerships

- Explain why there are restrictions applied to limited partners and what these restrictions are
- Calculate each partner's liability to tax, PRSI and Universal Social Charge on partnership income

### **3. Advise on the taxation of property transactions**

#### **Leases and lease premiums**

- Outline the scope and basis of assessment of Schedule D Case V for lease premiums
- Interpret legislation to calculate the "income" portion of a lease premium
- Conclude, based on tax law, the tax treatment of sub-letting premises
- Conclude, based on tax law, the tax treatment of selling a leasehold interest
- Conclude, based on tax law, the tax treatment of assigning a lease on a premises
- Conclude, based on tax law, the tax treatment of surrendering a leasehold interest

#### **Case V capital allowances**

- Interpret legislation to identify the capital allowances available against Case V income
- Assess a lessor's entitlements to capital allowances
- Summarise the restrictions that can apply to Case V allowances
- Explain the reason property incentive schemes were introduced and the relief they granted
- Determine if a palliative care unit qualifies for relief and calculate any relief available

#### **Taxation of rental profits**

- Explain the taxation of a trading lessor compared to the taxation of normal lessors
- Explain the interaction of losses in a leasing trade with capital allowances
- Calculate the income tax, PRSI, Universal Social Charge and CGT due on a transaction involving a lease

#### **Withholding tax on rental income/expenses**

- Explain why withholding tax applies to rents paid to non-residents
- Interpret legislation to explain how the withholding tax applies on rent to a non-resident landlord and any administrative obligations arising
- Calculate the applicable withholding tax on rent paid to a non-resident

#### **Development land**

- Describe the tax treatment of receipts from dealing in or developing land
- Explain the rules for calculating profits and losses from dealing in or developing land
- Outline the anti-avoidance rules in relation to dealing in or developing land
- Explain how profits and gains from residential property are taxed
- Compute any tax, PRSI, Universal Social Charge applicable to the sale of development land

### **4. Advise on the taxation of foreign source profits and investment income**

#### **Schedule D Case III**

- Describe how an individual who receives foreign dividends can be given credit for tax incurred by the company
- Explain the rules and practice in determining when a remittance occurs
- Explain any relief available for losses in a foreign trade and the basis for this relief
- Compute any tax, PRSI or Universal Social Charge applicable to Case III income

**Schedule D Case IV**

- Categorise the statutory sources of income assessable under Case IV
- Categorise the items taxable under the general case IV charge
- Interpret legislation to explain how relief is granted for losses under Case IV
- Compute any tax, PRSI or Universal Social Charge applicable to Case IV income

**Schedule F**

- Apply the scope and basis of assessment of Schedule F to shares received in lieu of dividends (scrip dividends)
- Illustrate how tax relief is given for Irish dividend withholding tax suffered
- Compute the tax, PRSI and Universal Social Charge due on receipt of dividends from an Irish company

**5. Advise on the taxation of Irish source employment income****Taxation of employment income**

- Distinguish between the terms “employee” and “self-employed” and outline the taxation implications of an individual’s employment status
- Explain what considerations should be taken into account in determining the status of a worker
- Interpret case law and use the principles to distinguish between the terms “employee” and “self-employed”
- Apply the rules of Schedule E to determine the tax treatment of payments received by employees
- Apply the rules of Schedule E to determine the tax treatment of salary sacrifice schemes
- Judge whether income is taxable under Schedule E and compute the tax, PRSI and Universal Social Charge due on Schedule E income

**6. Advise on the application of tax incentives, charges on income and the restriction on tax reliefs for high earners****Film relief and BES/ Employment and Investment Incentive (EII) relief**

- Explain why tax relief is granted for investing in films
- Conclude, based on tax law, the tax relief available for investments in a qualifying film/film company
- Explain the tax implications on the disposal of any investments on which film relief was claimed
- Judge whether any relief is available on an investment in films, calculate any relief and any tax due on the disposal of that investment
- Explain why EII was introduced
- Conclude, based on tax law, the tax relief available for investments in a qualifying business
- Explain the tax implications on the disposal of any investments on which EII relief was claimed
- Judge whether EII applies and compute the relief available on an investment in EII and any tax due on the disposal of that investment

**Charges for income tax purposes**

- Conclude, based on tax law, what relief is available to an individual on loans used to acquire an interest in a company
- Compare this to the interest relief available to a company when investing in another company

- Conclude, based on tax law, what relief is available to an individual on loans used to acquire an interest in a partnership
- Judge what relief is available to an individual who has made payments which could qualify as charges on income and calculate any relief

### **Exemptions and reliefs**

- Describe the statutory exemptions from income tax and capital gains tax that are available and any claw-back provisions, including those relating to:
  - Charities (income tax, CGT)
  - Woodlands (income tax, CGT)
  - Artists (income tax)
  - Lotteries (income tax and CGT)
  - An individual's principal residence (income tax, CGT)
  - Life assurance and deferred annuities (CGT)
  - Superannuation funds (CGT)
  - Wasting assets and wasting chattels (not qualifying for capital allowances) (CGT)
  - Government securities (income tax, CGT)
- Calculate any tax, PRSI or Universal Social Charge payable by taxpayers who claim these exemptions or reliefs

### **Restriction of "specified reliefs" for high earners**

- Explain why the restriction on "specified reliefs" for high earners was introduced
- Interpret legislation to explain how the restriction on "specified reliefs" for high earners applies
- Calculate the restriction on "specified relief" for high earners that applies

## **7. Advise on the taxation of married, cohabiting, separated, widowed and divorced couples and civil partners**

### **Taxation of married couples, civil partnerships and cohabiting couples**

- Explain how residency impacts on the taxation of married couples or civil partners and calculate any relief available
- Explain the tax treatment of separated/divorced couples and the options available to a separated/divorced couple in relation to the taxation of maintenance payments
- Outline the entitlement of a separated couple to claim certain tax credits, and contrast with the entitlement of a married couple or civil partners living together
- Describe the tax issues surrounding the payment of a mortgage on a family home in the context of divorce/separation
- Explain the CGT reliefs available on the transfer of assets between spouses or civil partners living together ( on separation and on divorce/dissolution of the civil partnership) and on the transfer of assets following the ending of a relationship between cohabitants, listing the conditions
- Explain the interaction of the restriction of specified reliefs for high earners and the taxation of married couples or civil partners
- Assess the tax treatment of the transfer of properties, or investments which were subject to tax incentives, between spouses or civil partners on separation
- Calculate the tax, PRSI and Universal Social Charge for a married couple or civil partners

**8. Advise on the sale or succession of incorporated and unincorporated businesses****Sale or succession of unincorporated businesses**

- Assess what taxes and reliefs apply on the disposal of a family business by a sole trader
- Calculate the tax, PRSI and Universal Social Charge due on the disposal of a sole trade

**Sale or succession of companies**

- Assess what taxes and reliefs apply on the disposal of shares in a company (family or otherwise)
- Calculate the tax, PRSI and Universal Social Charge due on the disposal of shares in a company

**9. Describe the transactions that give rise to, and the relief available for, the deduction of income tax at source****Withholding taxes which apply to individuals**

- Judge if withholding tax must be applied, and calculate the credit available in an income tax or CGT computation for withholding tax
- Judge if professional services withholding tax (PSWT) applies, calculate the credit available and explain the administrative requirements
- Judge if withholding tax applies on payments to sub-contractors, apply withholding tax, Calculate the credit available and explain the administrative requirements

**10. Advise on the application of specific anti-avoidance rules****Anti-avoidance**

- Explain why market value is sometimes imposed instead of using the transaction price
- Explain why there are anti-avoidance rules which deal with assets subject to a right or restriction
- Explain how assets subject to a right or restriction are valued for CGT purposes
- Explain why there are anti-avoidance rules which deal with assets disposed of in a series of transactions
- Explain how disposals which are carried out in a series of transactions are treated for the purposes of CGT
- Calculate the tax due when these anti-avoidance rules are applied

## Business Taxes: Application and Interaction

This module draws on knowledge from Income Tax Fundamentals and Capital Gains Tax Fundamentals on the taxation of individuals and applies these income tax and capital gains tax rules to companies. In addition, it covers rules that apply specifically to companies and also covers accounting for tax. It involves referring to and interpreting the relevant provisions of the Taxes Consolidation Act 1997 and applying the findings of relevant case law throughout.

### Learning Objectives

On completion of this module, you will be able to:

1. Apply the rules of income tax and capital gains tax to companies and calculate their liability to tax
2. Advise on the taxation of intellectual property and other business assets and investments
3. Advise on the common business transactions that can give rise to withholding taxes
4. Advise on the taxation of investment companies, close companies and property companies
5. Extract relevant information from financial reports, account for business taxation and explain its impact on the disclosures in the financial reports
6. Identify when any business tax returns must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.

### Assessment

Examination	85%
Continuous Assessment	15%

## 1. Apply the rules of income tax and capital gains tax to companies and calculate their liability to tax

### Introduction to business taxes

- Identify what taxes a company is subject to
- Outline the main sources of law for each of these taxes

### Introduction to corporation tax

- Contrast income tax with corporation tax
- Explain the meaning of terms when used in the context of the scope of corporation tax
- Interpret legislation to apply income tax principles to allocate the income of corporates to the appropriate Schedule or Case
- Interpret legislation to apply capital gains tax principles to the taxation of corporate capital gains
- Explain the application of the appropriate corporation tax rate to income from each source

### Application of income tax principles to the taxation of companies

- Use the relevant sources of law to compare the rules that apply to deductions allowable in arriving at taxable income for corporation tax and those allowable for income tax purposes
- Calculate the taxable profits of an Irish corporate taxpayer
- Justify the deduction or otherwise of expenses based on legislation and case law

### Interest

- Outline the different types of security that can be given for borrowings
- Compare floating and fixed charges from the borrowers and lenders perspectives
- Describe why a business might reserve title to goods sold
- Outline the three ways in which interest paid by a company can be deductible for corporation tax, including interest as a charge
- Describe how recovery of capital, or deemed recovery of capital, can affect relief for interest
- Outline when interest is treated as a distribution and the elections available

### Other charges on income

- Explain what is meant by “a charge on income”, and identify when it arises
- Conclude, based on tax law, what is meant by an annual payment and when it arises
- Conclude, based on tax law, what relief is available for charges on income
- Distinguish relevant trade charges and other chargers and outline the relief available for each
- Calculate the relief available for charges on income
- Judge the optimal use of charges for a given set of circumstances

### Relief for losses

- Interpret the rules for trading loss relief and explain how they apply to a set of facts
- Conclude on the use of trade charges to create or augment a trading loss and the displacement of trading losses carried forward by non-trade charges
- Explain the restriction to trading loss relief that occurs on a change in ownership and in the nature or conduct of a trade
- Compare the loss relief available to an Irish company for its Irish trade to that available for foreign trades

- Conclude on the relief available for rental losses
- Compare the relief available for Irish properties and foreign properties
- Assess if there are special loss relief rules relating to other sources of income and if relevant, apply these rules to calculate the applicable relief
- Judge what loss reliefs are available and what restrictions apply. Apply all loss reliefs and restrictions in the correct order, and identify any relief to be carried forward

## 2. Advise on the taxation of intellectual property and other business assets and investments

### Issues relating to intellectual property

- Outline the main forms of intellectual property and how they are exploited
- Describe the main registration procedures for various forms of intellectual property
- Describe the legal protections available for intellectual property
- Compare the circumstances in which licensing of intellectual property through Ireland is taxable as a trade and as an investment and judge which treatment is correct for a given set of circumstances
- Explain the application of the research & development tax credit
- Explain the availability of capital allowances in relation to specified intangible assets
- Explain the rules relating to relief for interest incurred on borrowings used to acquire specified intangible assets
- Set out any other income tax, corporation tax or CGT reliefs and charges relating to intellectual property
- Judge which reliefs are available for specific types of expenditure on intellectual property and calculate the relief available

### Disposals of business assets and investments

- Apply the rules of CGT to gains of a company when disposing of a business asset or investment
- Explain the possible treatments of interest charged to capital for CGT purposes

## 3. Advise on the common business transactions that can give rise to withholding taxes

### Distributions

- Define a “distribution” for tax purposes and compare it to a distribution for company law purposes and accounting purposes
- Outline how dividend withholding tax applies to a distribution
- List the exemptions from dividend withholding tax and associated administrative requirements and apply these in practical situations
- Assess the income tax or CGT implications of distributions *in specie* and the accounting treatment of these
- Outline the tax implications of scrip dividends and the accounting treatment of these
- Judge whether a transaction will be treated as a distribution for tax purposes and if so, calculate the tax arising on the distribution
- Compare the taxation of distributions to the taxation of other methods of extracting cash from companies
- Conclude on when different methods of cash extraction are most appropriate

**Annual payments**

- Conclude on the application of withholding tax under Irish domestic legislation
- Explain the administrative requirements for withholding tax
- Judge if withholding tax applies, calculate the withholding tax, identify the tax return entries required and outline the appropriate accounting treatment for
  - Patent royalties and annual payments
  - Interest
  - Loans to participators
  - Others

**4. Advise on the taxation of investment companies, close companies and property companies****Investment companies**

- Define “investment companies”
- Interpret tax law to explain any relief available for management expenses
- Judge whether relief is available for management expenses and calculate any relief available

**Close companies**

- Explain the reason behind close company rules
- Outline the meaning of terms specifically related to the close company rules
- Outline which companies are specifically excluded from being close companies
- Judge whether a company is a close company or not
- Explain the disadvantages of close company status
- Calculate the surcharge on undistributed investment and estate income
- Calculate the surcharge on service companies
- Recommend how a company can still meet its commercial objectives while reducing the surcharge payable

**Property companies**

- Apply the taxation of appropriations to and from trading stock by an individual to incorporated entities
- Apply the taxation of property in the hands of individuals to the taxation of property companies
- Summarise the taxation of corporate leasing trades
- Compare the taxation implications of carrying out property transactions within an incorporated entity or personally
- Explain the tax treatment of rent-to-buy and similar schemes

**5. Extract relevant information from financial reports, account for business taxation and explain its impact on the disclosures in the financial reports****Accounting for tax charges and provisions**

- Calculate the deferred tax expense (or income) for the Statement of Comprehensive Income
- Calculate the deferred tax provision for the Statement of Financial Position

**Reporting tax charges and provisions**

- Set out the requirements of the accounting standards (under FRS and IFRS) relevant to the reporting of deferred tax
- Reconcile the total expected tax charge with the tax current and total expense or income included in the Statement of Comprehensive Income
- Set out the main differences between financial statements prepared under FRS and under IFRS, and identify what entities are most likely to report under FRS and which under IFRS
- Set out the differences in requirements for tax disclosures under FRS and IFRS
- Compute the tax charge and provision in consolidated accounts
- Outline the tax issues that arise on transition from FRS to IFRS, and compute tax liability for a company in the transition period

**Using information from the financial reports in the preparation of the corporation tax computation**

- Identify the disclosure notes and other sources that are relevant to the preparation of the corporation tax computation
- Identify the disclosure notes that are relevant to other taxes
- Extract the relevant information from the financial reports and other sources necessary to prepare the corporation tax computation
- Identify where additional information needs to be sought

**Financial audit**

- Outline how tax balances are audited for purposes of the audit report in Irish financial statements and how the audit work is evidenced
- Outline when audit adjustments are required in tax balances for financial statements
- Explain how uncertain tax positions arise in Irish financial statements and the appropriate provisioning
- Set out the main requirements for disclosing uncertainties in income tax provisions (FIN 48)

**6. Identify when any business tax returns must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.****Administration of corporation tax**

- Describe the self-assessment system as it applies to companies
- Interpret legislation to outline a company's obligations under the Pay and File system
- Use legislation to outline what reliefs can be denied to companies who fail to meet their Pay and File obligations
- Describe when an error or mistake claim may be made and the reasons for so doing
- Describe when an expression of doubt may be made and the benefits of so doing
- Explain company secretaries' liability to pay certain penalties
- Assess the pay and file obligations of a company

## Indirect Taxes: Application and Interaction

This subject covers how indirect taxes apply to transactions within the EU and internationally and with the administration of each indirect tax. It involves referring to and interpreting the relevant provisions of the Value-Added Tax Consolidation Act 2010, the law of vehicle registration tax and other regulations and applying the findings of relevant case law throughout.

### Learning Objectives

On completion of this module, you will be able to:

1. Explain why and how Ireland imposes VAT
2. Outline the charge to VAT and how it applies to the supply of goods and services
3. Outline how VAT applies to the supply of goods (excluding power) and services and how it applies to cross border supplies
4. Advise on the correct amount chargeable to VAT, explaining how under and overpayments are treated and the rate of VAT
5. Identify the correct deduction available for VAT incurred or paid
6. Identify when any VAT returns must be filed and any VAT due paid. Determine if any interest or penalties apply in the case of non-compliance.
7. Explain some of the basic rules in relation to overpaid VAT and accounting for VAT
8. Advise on the application of other indirect taxes

### Assessment

Examination 100%

## 1. Explain why and how Ireland imposes VAT

### VAT in Ireland

- Describe how VAT is a tax on transactions rather than a tax on people or income, including setting out the treatment of:
  - Actual transactions
  - Deemed transactions
  - Self supplies
  - Chains of transactions
- Outline how the collection of tax is effected by a chain of transactions
- Outline some basic rules and concepts of VAT

### Irish VAT in the EU Context

- Outline the European dimension to Irish VAT
- Identify the key sources of VAT law applicable to Irish VAT, including:
  - EU Directives
  - Consolidated VAT Acts and Regulations
  - Case law

## 2. Outline the charge to VAT and how it applies to the supply of goods and services

### Charge to VAT

- Identify the different rates of VAT in Ireland and the principal supplies they apply to
- Outline briefly the scope of VAT
- Outline what is meant by the “charge to VAT”
- Identify the charging sections of the VAT Acts
- Outline the five requirements for a supply to be chargeable to Irish VAT
- Define the term “business” for VAT purposes, including any necessary sub-definitions
- Outline any specific exclusions from being “in business” for VAT purposes
- Define the term “accountable person”
- Outline the legislative list of accountable persons
- Outline any other types of accountable persons
- Outline when the receipt (not the supply) of goods/services can make a person an accountable person
- Outline the implications of being an accountable person
- Outline who is required to register for VAT
- Set out when a trader may elect to become VAT registered
- Describe why a trader may wish to elect to become VAT registered or to cancel such an election
- Describe the anti-fragmentation rule
- Explain what is meant by a VAT exempt activity
- Identify whether an activity is an exempt activity, per the First Schedule VATCA10
- Differentiate between a transaction which is outside of the scope of VAT and one which is VAT exempt
- Distinguish between “VAT exempt” and “zero rated”
- Explain why the concept of VAT exempt activities exists
- Explain how a person can engage in both VATable and VAT exempt activities
- Assess the taxable status of a person making different supplies

### **3. Outline how VAT applies to the supply of goods (excluding power) and services and how it applies to cross border supplies**

#### **Supply of Goods**

- Define what is meant by a "good"
- Define what is meant by the supply of goods
- Outline the VAT registration thresholds for the supply of goods
- Describe what is meant by a self-supply in the context of:
  - Use for VAT exempt business purposes
  - Use for non-business purposes
- Explain the effect of a self-supply
- Outline transactions that are deemed not to be a supply of goods
- Describe the implication of a transaction being deemed a non-supply
- Define a gift for VAT purposes and outline the VAT treatment of gifts
- Explain any relief available for small gifts
- Explain any relief available for other gifts, such as advertising goods
- Explain the VAT treatment of gifts to oneself
- Analyse a set of circumstances and identify what supplies have taken place and the VAT applicable

#### **Cross Border Supplies – Goods**

- Outline the place of supply rules for the supply of goods, including for the supply of goods which are:
  - Not dispatched or transported
  - Dispatched or transported
  - Installed or assembled
  - Supplied on board aircraft/vessels/trains travelling within the EU
- Outline the distance selling rules
- Outline the treatment of goods dispatched to persons in other EU Member States
- Differentiate between intra-Community dispatches to persons registered for VAT in other EU Member States and those not registered for VAT
- Outline the treatment of goods acquired from persons in other EU Member States
- Explain how the acquisition of a new means of transport is treated differently to other intra-Community acquisitions
- Outline how intra-Community acquisitions can affect unregistered businesses
- Outline what is meant by triangulation relief and explain why the relief is necessary
- Describe when triangulation relief is available and outline how the relief is claimed
- Analyse a set of circumstances and identify what supplies have taken place and the VAT applicable
- What is the difference between imports/exports and intra-Community acquisitions/dispatches
- Outline the general place of supply rules relating to the export of goods
- Outline the treatment of transportation services in respect of the export of goods outside the EU
- Outline any documentation requirements associated with the export of goods
- Outline the general place of supply rules relating to the import of goods
- Outline the treatment of transportation services in respect of the import of goods
- Outline any documentation requirements associated with the import of goods

**Supply of Services**

- Define what is meant by services
- Define what is meant by the supply of services
- Outline the VAT registration thresholds for the supply of services
- Apply the self-supply rules in relation to services
- Compare the self-supply rules that apply to goods and services
- Analyse a set of circumstances and identify what supplies have taken place and the VAT applicable

**Cross Border Supplies – Services**

- Outline the general place of supply rules for the supply of services
- Outline the main exceptions to the general place of supply rule
- Explain the VAT treatment of “Fourth Schedule services” prior to 1 January 2010
- Describe the VAT treatment of services connected with immovable goods located in Ireland
- Describe the VAT treatment of services connected with immovable goods located outside Ireland
- Explain how the VAT treatment of cross border supplies is affected when an agent is involved
- Explain what is meant by “use and enjoyment” provisions and explain why these provisions were introduced
- Outline the current “use and enjoy” provisions
- Outline the tax treatment of services categorised under the “use and enjoy” provisions
- Analyse a set of circumstances and identify what supplies have taken place and the VAT applicable

**Agents**

- Outline what is meant by an “agent”
- Compare the treatment of supplies made by a disclosed agent and an undisclosed agent
- Compare the treatment of supplies of goods and supplies of services made to agents

**4. Identify the correct amount chargeable to VAT, explaining how under and overpayments are treated and the rate of VAT****Amount Chargeable to VAT**

- State the general rule for the amount chargeable to VAT
- Explain how expenses incurred and re-charged on invoices are treated for VAT purposes
- Explain the VAT treatment and calculate the amount chargeable to VAT
- Analyse a set of circumstances and identify what supplies have taken place and the VAT applicable

**Consideration**

- Explain the VAT treatment of non-monetary consideration
- Explain when the open market value is imposed instead of the actual consideration
- Compare the market value requirement under VATCA10 to that contained in the TCA 1997
- Explain the VAT treatment of excess consideration received by a supplier
- Analyse a set of circumstances and identify what supplies have taken place and the VAT treatment applicable

**Rates of VAT**

- Outline what is meant by a ‘determination’ under Section 51 VATCA10
- Describe how the Revenue Commissioners may issue a “determination” in relation to VAT rates
- Define “composite” supplies
- Define “multiple” supplies
- Outline what is meant by the “two-thirds rule”
- State how the VAT due on these supplies is calculated, incorporating any simplification measures
- Outline what is meant by “goods made up”
- Describe the VAT treatment of “goods made up”
- Describe the VAT treatment of certain supplies of goods including
  - Food and drink prepared by a caterer
  - Letting of machinery
  - Imports of goods
  - Intra-Community acquisitions of goods

**Administration arising from Cross Border Supplies**

- Distinguish between an INTRASTAT return and a VIES statement
- Describe how Irish VAT may be recovered by foreign traders and how foreign EU VAT may be recovered by Irish traders
- Outline any reliefs that are available to Irish persons principally involved in cross-border supplies (Section 56 VATCA10, historically referred to as "VAT 13B" Authorisation)
- Outline any reliefs that are available to non-Irish traders (VAT 60A Procedure)
- Compare the relief available in those two scenarios

**5. Identify the correct deduction available for VAT incurred or paid****Deductible and Non-deductible VAT**

- Outline the general rule on the deductibility of VAT
- List the categories of costs on which an input VAT credit generally is available
- List the categories of costs on which an input VAT credit generally is not available

**6. Explain and apply the administration of the VAT system****Administrative Aspects of VAT**

- Define a ‘taxable period’ for VAT purposes
- Describe the different VAT returns and when each is applicable
- Outline when the different VAT returns must be filed
- Outline how to complete a VAT3 return
- Outline the penalties that apply in the case of non-compliance with filing requirements
- Outline the options available to Revenue when a person under-declares their VAT or over-claims a refund
- Outline the options available to Revenue when a person fails to register for VAT or fails to file a return
- Outline the requirements of a valid VAT invoice
- Explain how these requirements are met by electronic invoicing
- Outline the time limits for issuing invoices
- Outline the requirements of a valid credit note
- Outline the requirements of a valid debit note
- Outline the penalties that apply to non-compliance in relation to invoices

- Describe the taxpayer's obligation to keep records
- Compare this to the obligation to keep records under other tax heads
- Outline the Revenue's obligations in relation to VAT registrations
- Outline the taxpayer's obligations and choices in relation to VAT registration
- Outline how a taxpayer registers for VAT
- Describe Revenue's power to enter premises
- Outline what information an accountable person must furnish to an authorised officer
- Describe the circumstances in which Revenue can seek security from taxpayers
- Describe some of the other powers of Revenue
- Describe the expression of doubt facility contained within the VAT Acts
- Compare the VAT expression of doubt to that contained in the TCA 1997

### **Schemes for accounting for VAT**

- Outline the methods of accounting for VAT on sales
- Explain the concessional retailers schemes that exist for sales of goods

### **Farmers and other unusual VATable persons**

- Outline what is meant by a "farmer" for VAT purposes
- Describe what is meant by a flat-rate farmer
- Explain how the normal VAT rules regarding the obligation to register, refunds etc. apply in the context of a farmer
- Explain how the normal VAT rules are applied to fishermen
- Explain how the normal VAT rules are applied to State and public bodies
- Analyse a set of circumstances and identify any obligation to register for VAT and calculate the VAT liability or refund

## **7. Explain some of the basic rules in relation to overpaid VAT and accounting for VAT**

### **Overpaid VAT**

- Outline when a taxpayer is entitled to a repayment of VAT
- State the time limits for VAT repayments
- Define "mistaken assumption"
- State when a taxpayer is entitled to statutory interest on the repayment of VAT

### **Accounting for VAT**

- Explain the purpose of a VAT control account
- Explain why a company's VAT compliance should be examined as part of a due diligence review and identify some of the issues that may arise

## **8. Describe the application of other indirect taxes**

### **National Excises**

- State what Vehicle Registration Tax ("VRT") is and when it arises
- Identify the sources of law that govern VRT
- Calculate the VRT due
- Outline when VRT may be relieved
- Outline when VRT may be refunded
- Outline any additional rules regarding the registration of vehicles in Ireland
- Identify the other main national excise taxes
- Identify the sources of law that govern these excises
- Calculate the excise duties payable

**Harmonised Excises**

- List the main harmonised excises
- Explain when each of the harmonised excises is due, how the excise is calculated, how intra-Community commercial movements are treated and any reliefs available, including
  - Alcohol products
  - Mineral Oil Tax
  - Carbon Tax
  - Solid Fuel Carbon Tax
  - Tobacco products
- Calculate the excise duty payable

**Interaction between VAT and the National Excises / Harmonised Excises**

- Explain the interaction of VAT with Excises
- Calculate the VAT and excises applying on a single transaction

**Non Principal Private Residence Charge**

- Explain when the non principal private residence charge (NPPR) is due
- Outline the main exemptions from the NPPR charge

## Capital Taxes: Application and Interaction

This subject covers the taxation of gifts and inheritances, the use of trusts for succession planning and the administration of capital acquisitions tax. It also covers identifying when stamp duty arises and when it is payable. It involves referring to and interpreting the relevant provisions of the Capital Acquisitions Tax Consolidation Act 2003 and the Stamp Duties Consolidation Act 1999, as well as relevant statutory instruments, and applying the findings of relevant case law throughout.

### Learning Objectives

On completion of this module, you will be able to:

1. Establish an individual's liability to Capital Acquisitions Tax ("CAT") based on their personal circumstances
2. Advise on the administration of an estate, related legal issues and the taxation of inheritances including any tax planning opportunities available
3. Assess the international aspects of CAT, including anti-avoidance provisions and double tax relief
4. Calculate the value of gifts and inheritances and compare this value to that used for CGT purposes
5. Determine the type of trust that exists and explain how it is subject to taxation
6. Identify when a CAT return must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.
7. Advise on the application of specific anti-avoidance rules
8. Identify the rate of stamp duty, if any, which arises on a transaction
9. Identify when a stamp duty return must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.

### Assessment

Examination	100%
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## **1. Establish an individual's liability to Capital Acquisitions Tax based on their personal circumstances**

### **Introduction to capital acquisitions tax**

- Identify gifts and inheritances which are taxable under Capital Acquisitions Tax (CAT)
- Outline the key aspects of a CAT computation
- Outline the main sources of law for CAT
- Outline the tax rates applicable to CAT
- Compare and contrast CAT with CGT and income tax

### **Residence, ordinary residence and domicile**

- Outline the impact that residence and domicile have on a person's liability to CAT

### **Arriving at the taxable value**

- Summarise how to calculate the taxable value of a gift or inheritance
- Determine the incumbrance free value of a benefit for CAT purposes
- Judge whether a deduction is allowable or non-allowable for CAT purposes
- Compute the taxable value of a gift or inheritance
- Contrast the taxable value rules for CAT purposes to those for CGT and income tax purposes

### **Calculating the tax**

- Outline how aggregation applies, using illustrative examples
- Outline how to determine the rate of CAT applicable
- Explain how a credit for CGT paid on the same event is granted
- Explain the taxation of same-day benefits
- Describe how the benefit of freedom from tax is subject to CAT
- Interpret legislation to ascertain the date of gifts or inheritances and their valuation date
- Contrast the valuation date of gifts and inheritances with the date a gift or inheritance is deemed to be taken, and explain the significance of each

### **Taxation of married couples and civil partners**

- Outline any reliefs available on the transfer of assets between spouses and civil partners
- Compare how transfers between separated and divorced couples and transfers following the dissolution of civil partnerships are treated for CAT purposes
- Outline how transfers to a spouse or civil partner on death are treated
- Calculate any CAT arising on transfers between spouses or civil partners
- Compare the CAT, CGT and stamp duty treatment of disposals between spouses and civil partners

### **Exemptions**

- Identify if a gift or inheritance is exempt from CAT
- Identify if a donee is exempt from CAT

## **2. Advise on the administration of an estate, related legal issues and the taxation of inheritances including any tax planning opportunities available**

### **Administering an estate and related legal issues**

- Explain what is meant by a "will"
- Outline how a will can be revoked
- Outline sample clauses in a will
- Outline how and why an executor extracts a grant of probate

- Outline why a grant of administration is taken out
- Outline how a grant of administration is taken out and who is entitled to do so
- Explain how and why a grant of probate/grant of administration can be revoked
- Outline the steps involved in the administration of an estate
- Explain what an Inland Revenue Affidavit is and when it is used
- Outline the main terms of the Succession Act 1965
- Define a “disclaimer” and outline what happens to a benefit that has been disclaimed
- Compare the effect of a disclaimer on intestacy to a disclaimer under a will
- Rearrange the proposed plan of action so as to achieve the same commercial goal but availing of any relief available

#### **Miscellaneous CAT issues relating to estates**

- Outline CAT issues surrounding payments out of estates
- Outline the CAT implications of legacies lapsing
- Examine dispositions involving estates and calculate any CAT arising

#### **Policies of assurance**

- Outline the CAT treatment of payments under life assurance policies
- Outline the CAT treatment of insurance proceeds paying inheritance tax and gift tax (“Section 60” and “Section 119” type policies)
- Examine dispositions involving policies of assurance and calculate any CAT arising

### **3. Assess the international aspects of CAT, including anti-avoidance provisions and double tax relief**

#### **Anti-avoidance**

- Explain the anti-avoidance rules relating to foreign-controlled private registered companies and why they were introduced
- Examine dispositions involving a foreign controlled private company and calculate any CAT arising

#### **Double taxation relief**

- Describe how double taxation relief is granted in Ireland for tax suffered on a gift or an inheritance in other jurisdictions

### **4. Calculate the value of gifts and inheritances and compare this value to that used for CGT purposes**

#### **Basic valuation rules**

- Explain how the market value of a benefit is ascertained for CAT purposes
- Outline any exceptions to the general open market value requirement
- Compare this requirement to the CGT market value requirement

#### **Annuities and limited interests**

- Outline how rights derived from other assets are valued for CAT purposes using the slice principle
- Describe how gifts or benefits with claims arising are valued
- Describe how annuities not charged on property are valued
- Describe how limited interests are valued
- Examine dispositions involving limited interests and calculate any CAT arising

**Powers of revocations and contingencies**

- Describe how a benefit, which is subject to a power of revocation, is treated for CAT purposes
- Describe how a benefit, which is subject to a contingency, is treated for CAT purposes
- Examine dispositions involving a power or revocation or contingency and calculate any CAT arising

**Property, including real property**

- Outline how mortgages charged to a property are treated for the purposes of CAT
- Contrast joint tenants with tenants in common
- Outline how the free use of property is charged to CAT
- Examine dispositions involving real property and calculate any CAT arising
- Explain the interaction of the rules on the free use of property and those on gifts subject to a power of revocation

**Private companies**

- Assess if a company is a private company for CAT purposes
- Outline how shares in private companies should be valued for CAT purposes
- Compare the valuation for CAT with the valuation used for CGT
- Examine dispositions involving private companies and calculate any CAT arising

**Family businesses, including farms**

- Identify if any relief is available on a disposition involving land
- Outline any claw back provisions applicable to agricultural relief
- Identify if any relief is available on a disposition involving businesses
- Outline any claw back provisions applicable to business relief
- Compare agricultural and business relief
- Compare these two CAT reliefs with the CGT relief available to the donor
- Describe the relief available for “favourite nephews”
- Outline the conditions which must be met in order to qualify for “favourite nephew” relief
- Examine dispositions involving family businesses and calculate any CAT arising

**5. Determine the type of trust that exists and explain how it is subject to taxation****Introduction to trusts**

- Define a trust
- Identify the type of trust that exists
- Outline the office, duties and powers of a trustee

**Bare trusts**

- Define a bare trust
- Examine dispositions involving a bare trust and calculate any CAT arising

**Fixed trusts**

- Define a fixed trust
- Apply the charge to CAT to a fixed trust
- Explain the tax arising on disposals of interests created under a fixed trust
- Explain how the failure of a limited interest affects the charge to CAT
- Examine dispositions involving a fixed trust and calculate any CAT arising

**Powers of appointment**

- Compare a general power of appointment to a special power of appointment
- Outline how a power of appointment can affect the tax payable on the benefit
- Analyse a set of circumstances, and determine whether any of these provisions are applicable
- Examine dispositions involving a power of appointment and calculate any CAT arising

**Discretionary trusts**

- Define a discretionary trust for CAT purposes, and contrast this with its legal definition
- Outline the appointments from a discretionary trust that give rise to gift or inheritance tax
- Apply the valuation date of gift/inheritance rules in the context of a discretionary trust
- Determine whether any discretionary trust tax is payable
- Examine dispositions involving a discretionary trust and calculate any tax arising

**6. Identify when a CAT return must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.****Administration of taxes included in the CATCA 2003**

- Identify who the accountable persons are for CAT
- Using legislation, outline the self assessment system for the collection of tax and filing of returns for individuals
- Describe and compute the consequences of failing to file a return or pay a tax liability in full and on time
- Describe the appeals process as it applies to an individual within the self assessment system

**7. Advise on the application of specific anti-avoidance rules****Gift-splitting**

- Interpret legislation to define connected dispositions, including onward gifts before first gift
- Outline any exceptions to the gift-splitting rules
- Explain the need for rules relating to dispositions enlarging the value of property
- Outline the rules relating to dispositions enlarging the value of property
- Identify if any anti-avoidance provisions apply and calculate the CAT arising

**Provisions affecting companies**

- Explain how dispositions to and by a company are treated for CAT
- Describe the CAT treatment of gifts between associated companies

**8. Identify the rate of stamp duty, if any, which arises on a transaction****Introduction to stamp duty**

- Identify the events that can give rise to stamp duty
- Identify the heads of charge for stamp duty
- Outline the territorial scope of stamp duty
- Explain the meaning of terms when used in the context of the stamp duty
- Outline the main source of law for stamp duty
- Understand some special principles of stamp duty
- Outline the rates of stamp duty

**The charge to Stamp Duty - sales**

- Assess whether a transaction is a sale
- Judge whether there is a stampable document for the sale
- Identify whether the document is within the charge to stamp duty

**The charge to Stamp Duty - Leases**

- Assess whether a transaction is a lease
- Explain how the surrender of a lease is treated for stamp duty purposes
- Identify whether a transaction involving a lease is within the charge to stamp duty

**The rate of stamp duty**

- Assess what rate of stamp duty is applicable to a sale or a lease

**Valuation**

- Assess when market value is imposed for stamp duty and penalties where a document was understamped
- Identify the amount on which stamp duty is chargeable
- Compare the market value rules for stamp duty to those of CAT, CGT and income tax

**Real property**

- Outline the stamp duty which can apply on transactions in residential property
- Explain how stamp duty applies to site and build contracts
- Describe how stamp duty can be deferred
- Describe how exchanges and partitions are treated for stamp duty
- Assess how much stamp duty is payable on a property transaction

**Business assets and investments**

- Assess how much stamp duty is due on a distribution *in specie*
- Describe the exemptions from stamp duty on business assets and investments
- Describe the relief from stamp duty available on the transfer of loan capital
- Assess how much stamp duty is payable on a transaction involving business assets or investments

**Married couples and civil partners**

- Explain the Stamp Duty reliefs available on the transfer of assets between spouses living together, on separation, dissolution and on divorce
- Assess how much stamp duty is payable on a transaction between spouses or civil partners

**9. Identify when a stamp duty return must be filed and any tax due paid. Determine if any interest or penalties apply in the case of non-compliance.****Administration of stamp duty**

- Identify the accountable person for stamp duty and payment of the tax due
- Describe adjudication, assessments, appeals and refunds for stamp duty purposes
- Describe the e-Stamping system
- Describe penalties and Revenue powers included in the Stamp Duties Consolidation Act 1999
- Apply the penal provisions of the Taxes Consolidation Act 1997 to stamp duty

## Professional Skills Workshops

These workshops take students ability to use legislation and case law developed during the Fundamentals – Part 1 Professional Skills Workshops and develops it in the context of advising individuals and partnerships on their income tax, CGT and related legal issues. Students must draft advice to other professional advisors or the taxpayer clearly setting out the tax consequences and advising on the implementation of any tax advice. Students should also identify input required from other advisers.

### Learning Objectives

Upon completion of these workshops, students will be able to:

1. Interpret legislation and case law
2. Carry out focused research leading to technically sound conclusions
3. Translate complex legal concepts and communicate implications as professional tax advice
4. Project-manage the effective implementation of advice provided

### Assessment

The skills attained through completion of this workshop will be examined through the home assignment for Personal Taxes: Application & Interaction.

### Research materials

- Taxes Consolidation Act 1997
- Relevant Irish and International case law
- Relevant other sources of law including:
  - Revenue Statements of Practice and e-Briefs / Tax Briefings
  - Revenue precedents and interpretations
  - Regulations
  - Statutory Instruments

**1. Interpret legislation and case law****Interpreting legislation**

- Set out the rules of interpretation
- Explain the presumptions that apply in interpreting legislation
- Identify other aids to interpretation of legislation
- Apply the rules of interpretation to explain a legislative provision

**Interpreting case law**

- Explain judicial precedent as a source of law
- Identify the different elements of a judgement
- Interpret a case and explain the ruling

**2. Carry out focused research leading to technically sound conclusions****Research**

- Identify any potential tax issues under all tax heads included in a narrative case study
- Research across Irish law and Irish and international case law as applicable to the tax issues, using the most appropriate taxation or legal database(s)
- Prepare a file note documenting research using the appropriate legal writing guidelines

**3. Translate complex legal concepts and communicate implications as professional tax advice****Writing tax advice**

- Prepare a letter of advice to your client or other professional advisors

**4. Project-manage the effective implementation of advice provided****Implementation**

- Identify the steps required to implement any advice provided
- Prepare an implementation plan for the advice provided

**Advanced – Part 3**

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## Advanced Personal Taxes

This subject draws on knowledge from Personal Taxes: Application & Interaction and Capital Taxes: Application & Interaction on the taxation of individuals. It covers the international aspects of personal taxes, such as double tax agreements, as well as some of the more complex areas of income tax, capital gains tax, capital acquisitions tax and stamp duty. The interaction of taxes is at the heart of this subject. It involves applying legislation, commentaries, statements of practice or case law to practical case studies throughout.

### Learning Objectives

Upon completion of this subject, students will be able to:

1. Advise on the taxation of foreign employments and overseas secondments remuneration for Irish resident and non-resident individuals
2. Apply the relief available under double tax agreements to the taxation of Irish and foreign source profits
3. Advise on the tax treatment of share based methods of employee remuneration
4. Advise on the tax treatment of pension contributions and benefits and advise how pensions may be used to provide for retirement in a cost effective way
5. Advise on the rules regarding on and offshore investments by individuals
6. Advise on the taxation of estates
7. Advise on the taxation implications of relationship breakdown in Ireland

### Assessment

Continuous assessment	15%
End of term examination	85%

## **1. Advise on the taxation of foreign employments and overseas secondments remuneration for Irish resident and non-resident individuals**

### **Secondments and foreign employments**

- Describe what constitutes a foreign employment and how it is charged to tax in Ireland
- Describe how the PAYE system can operate in relation to mobile workers and employments not wholly exercised within the State
- Compare the different reliefs available in relation to employees of non-resident employers, calculate any relief due, outline its interaction with Double Tax Agreements (“DTAs”), and outline how the relief is claimed
- Compare the different reliefs available in relation to employees of non-resident employers, calculate any relief due, outline its interaction with DTAs and outline how the relief is claimed, including the reliefs for cross-border workers
- Describe the tax issues that may apply to outbound and inbound secondments
- Describe how the PAYE system can operate in relation to secondees
- Modify a secondment proposal so as to avail of all tax reliefs available
- Devise an alternative plan for a foreign employee, or a returning expatriate, so as to avail of all tax reliefs available (including relief from double taxation)

## **2. Advise on the relief available under double tax agreements to the taxation of Irish and foreign source profits**

### **Double tax agreements**

- Describe what double taxation is and illustrate when it arises
- Explain the need for DTAs, bi-lateral agreements on social security and exchange of information agreements and explain their purpose
- Summarise the principles of double taxation relief and compute available double taxation relief for individuals in receipt of foreign income and capital gains
- Describe the legal standing of Ireland’s DTAs
- Describe the legal effect of the OECD model treaty and its commentary
- Define the terms of the OECD model treaty as it relates to individuals
- Interpret and apply the terms of the OECD model treaty as they relate to individuals

## **3. Advise on the tax treatment of share-based methods of employee remuneration**

### **Shares and share options**

- Distinguish between a share and a share option
- Describe the different events that may occur in the life of an option
- Distinguish between an unapproved share option scheme and an approved share option scheme
- Describe the operation of a Save As You Earn share option scheme
- Explain the taxation of approved and unapproved employment share options
- Identify any relief available for the employer
- Describe the filing requirements for both employer and employee
- Calculate any Irish income tax and CGT liability arising on the grant, exercise, forfeiture, abandonment and sale of these employment related share options or the underlying share
- Compare the main types of share incentive and profit sharing schemes and, in relation to each, identify any relief available for the employer, describe the employer and employee filing requirements and calculate any related Irish income tax and CGT liabilities
- Summarise the tax treatment of directors and employees acquiring convertible securities
- Calculate the Irish tax liability (both income tax and CGT) arising on these schemes

- Describe the filing requirements for both employer and employee
- Explain the taxation of gains made where an employee disposes of shares acquired under these schemes and their employer allows them to sell the shares for more than market value
- Summarise how changes in residency of a taxpayer affect their taxation in relation to share / share option schemes

#### **4. Advise on the tax treatment of pension contributions and benefits and advise how pensions may be used to provide for retirement in a cost effective way**

##### **Pensions**

- Compare the conditions for approval, relief for an individual's and their employer's contributions, options on retirement, treatment on death and any restrictions to reliefs that might apply for various pension schemes
- Advise on any planning opportunities available through the use of retirement benefit schemes
- Compare the taxation of retirement benefit schemes to the taxation of other methods of providing for retirement
- Modify a proposed retirement plan so as to avail of all tax reliefs available

#### **5. Advise on the rules regarding on and offshore investments by individuals**

##### **Investments and options**

- Define an option and identify the different types
- Explain the tax implications for both the grantor and grantee of:
  - Granting an option
  - Exercising an option
  - Allowing an option to lapse
  - Disposing of an option
- Analyse a set of circumstances and determine whether any of these are applicable
- Compare the use of options to the use of shares or other investment methods
- Modify a proposed investment plan so as to avail of all tax reliefs available

##### **Property**

- Describe the Irish income tax and CGT treatment of Irish owned foreign property in locations with which Ireland does not have a DTA
- Calculate any relief available against any resultant Irish tax liability
- Compare the taxation of foreign property transactions (rental, trading or capital) to those involving Irish property

##### **Taxation of trusts**

- Contrast the different types of trusts and outline the commercial reasons for their use
- Summarise the income tax and CGT rules that apply to bare trusts
- Summarise the charge to CGT and stamp duty in relation to assets settled on a trust
- Summarise the income tax and CGT rules that apply to trustees
- Calculate the taxable profits and gains of a trust
- Describe the distributions that may be received from a trust
- Explain the income tax treatment of beneficiaries of a trust
- Describe the anti-avoidance rules that apply to:
  - A settlor of a revocable trust
  - Trusts in favour of a settlor's children
- Summarise the tax implication of a capital distribution from a trust

- Explain the income tax and CGT implications of life tenancies
- Summarise the special rules that apply to trusts for permanently incapacitated individuals
- Evaluate a set of circumstances and determine which of these provisions need to be applied, and calculate the tax liability of a settlor, trustee or beneficiary on trust transactions

#### **Anti-avoidance rules on transfer of assets abroad**

- Describe the anti-avoidance rules dealing with the transfer of assets abroad by individuals resident or ordinarily resident in Ireland including:
  - The attribution of income
  - The attribution of gains
- Evaluate a set of circumstances to determine whether the rules apply, and if they do, to what extent, calculate any tax due

#### **Onshore and Offshore Funds**

- Explain the relief available for individuals who invest in gross roll-up funds
- Compare the taxation treatment of regulated and unregulated offshore funds
- Distinguish between a passive fund and a PPIU
- Explain the Irish taxation of a PPIU
- Outline any administrative requirements relating to these investment structures and the penalties associated with non-compliance
- Explain the Irish taxation of other investment structures commonly used to invest in foreign property
- Modify a proposed investment plan so as to avail of all tax reliefs available

#### **Wealth planning: tax related issues including anti-avoidance rules**

- Advise on the issues surrounding the holding of assets through a family partnership
- Outline the taxation treatment of disposals by temporary non-residents
- Summarise other CGT anti-avoidance provisions
- Explain how the restriction of specified reliefs for high earners applies where the individual has ring-fenced income and calculate the restriction
- Advise on mandatory disclosure rules
- Evaluate a scenario to determine whether Ireland's anti-avoidance provisions could be applied

### **6. Advise on the taxation of estates**

#### **Taxation of estates**

- Compare the income tax and CGT rules which apply in the year of death
- Determine the residency of an estate
- Explain the income tax and CGT treatment of personal representatives and executors
- Contrast the income tax treatment of different beneficiaries
- Devise an alternative plan, that still meets the economic requirements of the taxpayer, but fully avails of any relief available through the use of wills
- Devise an alternative plan, that still meets the economic requirements of the taxpayer, but fully avails of any relief available through the use of the Succession Act 1965

**7. Advise on the taxation implications of relationship breakdown in Ireland****Legal framework surrounding relationship breakdown**

- Outline the main provisions of the law surrounding separation and divorce
- Compare voluntary maintenance payments to those under the deed of separation or a maintenance pending suit order
- Evaluate a set of circumstances and apply the law surrounding divorces in Ireland to determine whether the facts presented represent a legally enforceable divorce settlement or a voluntary settlement
- Advise on the various tax issues associated with separation including the impact on the family home, the family business and succession planning
- Contrast a legal separation and a divorce
- Apply the taxation rules set out in relation to separations to a divorce, explaining any differences that arise
- Explain the tax implications of foreign divorces and remarriage
- Contrast the taxation of married persons with civil partners and cohabitants
- Contrast a divorce or separation with a declaration of nullity
- Apply the taxation rules set out in relation to separations to a nullity explaining any differences that arise

## Advanced Business Taxes

This subject draws on knowledge from Business Taxes: Application & Interaction and Capital Taxes: Application & Interaction on the taxation of companies in Ireland and on Personal Taxes: Application & Interaction on transactions between companies and their shareholders. It covers the international aspects of business such as groups, supply chain structures and double tax agreements as well as some of the more complex aspects of corporation tax, capital gains tax, stamp duty and accounting for tax. The interaction of taxes is at the heart of this subject. It involves applying legislation, commentaries, statements of practice or case law to practical case studies throughout.

### Learning objectives

Upon completion of this subject, students will be able to:

1. Advise on the taxation and legal issues of businesses operating internationally
2. Advise on the taxation, legal and accounting issues that arise when companies are members of a group.
3. Advise on the taxation, legal and accounting implications of different transactions that occur between companies and their shareholders.
4. Advise on taxation, legal and accounting implications that arise on the acquisition or disposal of a business (whether through sale or liquidation).
5. Explain Ireland's general anti-avoidance rules and apply the rules to practical situations.

**1. Advise on the taxation, legal and accounting issues that arise when companies are members of a group.****Groups**

- Describe some of the key concepts relating to group re-organisations
  - Merger accounting
  - Acquisition accounting
  - Fair value and goodwill
  - Pre-acquisition accounting
  - Dividends paid by subsidiary
  - Dividends and pre-acquisition profits
  - Inter-company transactions

**Capital gains groups**

- Define a capital gains group
- Explain the group relief available for capital gains
- Describe how the relief applies to non-resident groups
- Describe how the relief applies to disposals outside the group
- Outline any restrictions on relief where a company joins a group with existing capital losses
- Describe the implications of a company ceasing to be a member of a group
- Calculate the capital gains group relief available

**Corporation tax groups**

- Define a group / consortium for corporation tax purposes
- Identify any group reliefs available for corporation tax purposes
- Explain the interaction of group relief with other reliefs
- Calculate the corporation tax group relief available

**Stamp duty groups**

- Define associated companies
- Explain how associated company relief operates
- Describe the restrictions on associated company relief
- Calculate the associated company relief available

**Comparison of group reliefs for CT, CGT and SD purposes**

- Compare the reliefs available to groups under each taxhead

**2. Advise on the taxation and legal issues of businesses operating internationally.****General principles of EU taxation**

- Describe the EC Treaty articles of most relevance to tax issues
- Outline the Irish and EU law surrounding company arrangements and reconstructions
- Describe how company reconstructions and amalgamations take place
- Explain the incidence of withholding tax on income, including the impact of tax treaties based on OECD Model Articles 10, 11 and 12 and the EU Directives (Parent Subsidiary and Interest and Royalties)
- Explain the use of transfer pricing as a method of allocating the EU income of globally integrated businesses to the locations in which the business operates

**General principles of international taxation**

- Explain the international models for the taxation of foreign business income, including credit, exemption, source, residence, remittance.
- Analyse OECD Model Treaty as it applies to business income
- Explain the use of transfer pricing as a method of allocating the income of globally integrated businesses to the locations in which the business operates
- Explain the use of holding companies, IP companies and finance companies in internationally operating businesses and the selection of a location for these. Assess Ireland's strengths and weaknesses as a location for these activities
- Explain the main international tax anti-avoidance provisions including
  - Transfer pricing
  - CFC rules
  - Thin capitalisation
  - Hybrid structures
- Explain what is meant by a correlative adjustment and explain what relief may be available in Ireland in respect of such an adjustment

**Taxation issues for investment into Ireland**

- Advise on the threshold of taxation in Ireland for income and chargeable gains, and the impact of the tax treaties
- Explain the taxation of international income in the US, UK and Germany
- Advise on the tax consequences of repatriation of profits from Ireland as interest, royalties, dividends and capital distributions (including liquidation and migration)

**Taxation issues for outbound investment from Ireland**

- Apply the Irish corporation tax system for the taxation of foreign income to prepare tax computations for:
  - Interest and royalties that have been taxed at source
  - Branch profits
  - Dividends
  - Chargeable gains on participations
- Contrast the Irish and foreign tax impact of the use of a representative office, a branch and a subsidiary company for overseas expansion, and evaluate when each is appropriate
- Evaluate the availability of reliefs in respect of interest on borrowing used to finance investment in subsidiaries
- Identify and apply anti-avoidance provisions applicable to overseas investment by an Irish business

**3. Advise on the taxation, legal and accounting implications of different transactions that occur between companies and their shareholders.****Reduction or reorganisation of share capital**

- Describe the legal process by which reduction or reorganisation of share capital takes place
- Explain the taxation implications of a company buying its own shares
- Describe and apply any reliefs available on reorganisations of share capital
- Describe and apply any reliefs available on share buy-backs
- Describe and apply the taxation of convertible securities

**Reorganisations involving change of ownership**

- Describe and apply any reliefs available on the transfer of a business to a company
- Describe the legal processes involved in company reconstructions and amalgamations
- Describe the remedies available to oppressed minorities
- Deal with company reconstructions and amalgamations
- Apply valuation techniques to shares in the context of reorganisations
- Compare the reliefs available for reorganisations and amalgamations
- Describe and apply the taxation of earn-outs and options
- Describe how a company can reduce its share capital
- Describe the legal prohibitions and exclusions on the giving of financial assistance by a company to purchase its own shares

**4. Advise on the tax, legal and accounting implications that arise on the acquisition or disposal of a business (whether through sale or liquidation)****Sale and purchase of a business**

- Describe an acquisition transaction in overview, identify issues relevant to transaction structuring and describe the due diligence process and other preliminary issues
- Evaluate the financial statements of a business, identifying potential tax due diligence issues
- Identify and interpret the key provisions of Share Purchase Agreements
- Describe the purpose of warranties/indemnities seen in Share Purchase Agreements, Asset Purchase Agreements, the relevance of the Disclosure Letter, and the principal feature of the Tax Deed
- Outline the deferred tax requirements under IFRS surrounding the acquisition of a business
- Outline other accounting issues which should be considered in the context of a reorganisation
- Contrast the taxation on the sale of shares to the sale of assets
- Summarise the financing options on a business acquisition, and contrast the taxation of these

**Liquidations/cessation**

- Summarise the legal processes involved in liquidating/winding-up a company for solvent and insolvent liquidations
- Describe voluntary and involuntary liquidations
- Outline the difference between the voluntary and involuntary winding-up of a company
- Outline the responsibilities of a liquidator
- Describe examinerships
- Describe receivership
- Outline the responsibilities of a receiver
- Summarise the taxation implications of liquidating/winding-up a company
- Summarise the taxation implications of the liquidation of a family company
- Describe how CGT applies on the appointment of a liquidator

**5. Explain Ireland's general anti-avoidance rules and apply the rules to practical situations****General anti-avoidance**

- Explain what is meant by tax avoidance
- Summarise the attitude of the courts in Ireland and the UK towards tax avoidance
- Explain the Irish legislative reaction to the Irish courts' attitude to tax avoidance (s. 811 and s. 811A)

**Mandatory reporting**

- Explain the mandatory reporting obligations that arise in relation to tax planning
- Identify if a transaction gives rise to mandatory reporting obligations and on whom those obligations fall.

## Advanced Indirect Taxes

This subject draws on knowledge from Part 2 on indirect taxes. It covers how indirect taxes apply in the context of VAT groups, VAT on property as well as the more complex aspects of VAT. It involves applying legislation, commentaries, statements of practice and / or case law to practical case studies.

### Learning objectives

Upon completion of this subject, students will be able to:

1. Explain how individual Member States apply VAT law and the options open to the EU where there is disagreement over this application
2. Apply the general rules relating to the charge to VAT to scenarios including atypical entities, groups and foreign entities
3. Explain the difference between goods and services and outline how VAT applies to both domestic and cross border supplies
4. Interpret case law surrounding the general rules on the amount chargeable to VAT and rates of VAT and administration arising from cross-border supplies
5. Apply the general rules regarding the deduction available for VAT incurred or paid to more complex scenarios including qualifying activities and case law
6. Apply the general rules regarding the administration of the VAT system to more complex scenarios including margin and special schemes, the appeals process and Revenue powers
7. Explain how VAT applies to property transactions , calculating the VAT due
8. Explain the detailed rules in relation to overpaid VAT, the Appeals Procedure and Revenue Powers
9. Describe the application of other indirect taxes, including customs duty
10. Explain how indirect taxes apply to atypical supplies of goods and services

## 1. Explain how individual Member States apply VAT law and the options open to the EU where there is disagreement over this application

### Irish VAT in the EU context

- Describe how a change in VAT rates takes effect
- Describe the role of the EU VAT Rates Directive in determining the VAT rates applicable in Ireland
- Describe the role of each of the various institutions of the European Union which affect VAT legislation, including
  - The European Court of Justice
  - The European Commission
  - The Council of Ministers
  - The European Parliament
  - The VAT Committee
- Explain why the EU Directives have direct effect in Ireland
- Outline what is meant by direct effect
- Compare direct effect to direct applicability
- Explain the interaction between the Recast Sixth Council Directive and the national VAT legislation
- Explain how the Recast Sixth Council Directive can be amended
- Define a “derogation”
- Describe the derogations in place in Ireland
- Explain the concept of “mutual assistance” and describe how it operates
- Describe the Fiscalis programme

### Future developments

- Outline how recent developments and developments at EU level may impact VAT in Ireland in future

## 2. Apply the general rules relating to the charge to VAT to scenarios including atypical entities, groups and foreign entities

### Joint ventures and partnerships

- Distinguish between joint ventures and partnerships for VAT purposes
- Describe the VAT treatment of joint ventures and partnerships

### Foreign traders

- State when a “Foreign Trader” may become an accountable person
- Outline a foreign trader’s obligations on becoming an accountable person

### VAT groups

- Describe what is meant by group VAT registration
- Outline the requirements for group VAT registration
- Outline the advantages and disadvantages of group VAT registration
- Set out any exceptions to the normal group VAT registration rules

### **3. Explain the difference between goods and services and outline how VAT applies to both domestic and cross border supplies**

#### **Other supplies**

- Outline how the supply of power is treated for VAT purposes
- Summarise the treatment of cross-border supplies of natural gas and electricity
- Describe how the excise duty on electricity operates
- Outline how the different parts of a hire purchase/credit sale are charged to VAT
  - The original transfer of goods
  - Interest
- Compare the treatment when the hire purchase involves a finance company to when finance is supplied by the supplier of goods
- Explain the amount chargeable to VAT under a hire-purchase agreement
- Apply the general VAT administration rules (e.g. invoicing) to hire purchase arrangements
- Outline the VAT that arises on the transfer of a business
  - Acquisitions of shares of a target company
  - Acquisition of business assets of a target company
  - Professional fees
- Explain any relief that may be available, including any specific relief for intangibles
- Outline the conditions attaching to any such relief
- Outline how the relief is claimed
- Compare the VAT treatment of buying a business to buying the company
- Outline how the self-supply rules apply to the provision of canteen services
- Summarise any situations where the self-supply rules will not apply
- Outline how the supply of electronic services is treated for VAT purposes
- Compare the supply of electronic services to the supply of an equivalent product in a more traditional form
- Describe how non-EU suppliers are treated for VAT purposes when they supply electronic services
- Describe the VAT treatment of cultural, artistic and entertainment services supplied in Ireland
- Describe the VAT treatment of cultural, artistic and entertainment services supplied outside of Ireland
- Describe the VAT treatment of premises providers
- Outline Revenue's powers in relation to non-established entertainers, promoters and mobile traders

### **4. Interpret case law surrounding the general rules on the amount chargeable to VAT and rates of VAT and administration arising from cross-border supplies**

#### **Amount chargeable to VAT**

- Explain the VAT treatment and calculate the amount chargeable to VAT
  - Canteens and self supplies of services
  - Hire purchase agreements
- Explain the interaction of excises and VAT in determining the amount chargeable to VAT

**Consideration**

- Explain how vouchers, tokens and stamps are treated for VAT purposes
- Identify when the VAT is due when vouchers, telephone cards, tokens or stamps are involved
- Calculate the VAT due

**5. Apply the general rules regarding the deduction available for VAT incurred or paid to more complex scenarios including qualifying activities and case law****Deductible and non-deductible VAT**

- Define “qualifying activities” within the EU for VAT purposes and explain their relevance to the recovery of VAT paid
- Define “qualifying activities” including non-EU supplies for VAT purposes and explain their relevance to the recovery of VAT paid
- Analyse a set of circumstances and calculate the VAT deduction available
- Explain why input VAT recovery is prohibited in relation to exempt and non-taxable activities
- Explain when the apportionment of VAT is necessary
- Explain how this apportionment is made
- Calculate the input VAT credit when apportionment is necessary

**6. Apply the general rules regarding the administration of the VAT system to more complex scenarios including margin and special schemes, the appeals process and Revenue powers****Schemes for accounting for VAT**

- Explain why margin and special schemes exist
- Describe how margin and special schemes are provided for under EU legislation
- Describe the various margin and special schemes for
  - second-hand goods, works of art, collectors’ items and antiques
  - Auctioneers
  - means of transport and agricultural machinery
  - investment gold
  - travel agents

**7. Explain how VAT applies to property transactions , calculating the VAT due**  
**Property transactions pre – 1 July 2008**

- Define “a supply of immovable goods” for pre-1 July 2008 VAT purposes
- Define an “interest” in immovable goods for pre-1 July 2008 VAT purposes
- State the rate of VAT which applies to certain property related transactions
- Explain why the pre-1 July 2008 rules are still relevant
- List the requirements for VAT to arise on the supply of a property
- Define “development” for VAT purposes
- Describe the Economic Value Test (EVT)
- Describe the VAT treatment of the sale of a freehold interest
- Describe the VAT treatment of long leases
- Describe the VAT treatment of transactions taking place after a surrender
- Describe the VAT treatment of short leases
- Explain the “No Second Supply” rule and describe any cases where this rule does not apply

**Transitional properties**

- Explain why the new VAT on property system needed to incorporate some transitional rules
- Cite the relevant legislative sections containing these transitional rules
- Outline the key issues that apply to “transitional” or “legacy” properties which fall to be taxed under the new system
- Perform calculations relating to these transitional rules

**Post 1 July 2008 transactions involving property**

- Outline the VAT treatment of sales of immovable property completed post 1-July 2008
- Outline when the supply of immovable property is liable to VAT
- Describe how supplies of residential property are treated for VAT purposes
- Explain the anti-avoidance provisions relating to the sale of building land
- Explain how the joint option to tax supplies of property operates
- Outline why a sales agreement over property should contain a VAT clause
- Outline the VAT registration threshold in relation to the supply of property
- Outline the VAT treatment of leases granted from 1 July 2008
- Define a “capital good” in the context of VAT on property
- Describe the Capital Goods Scheme
- Outline the operation of the Capital Goods Scheme
- Calculate the VAT recoverable on a transaction under the Capital Goods Scheme
- Explain what is meant by a “Capital Good Record”
- Outline the VAT treatment of the sale of a capital good
- Describe how the Capital Goods Scheme applies to properties bought or built under the old VAT on property regime
- Calculate the VAT adjustment arising on the sale of property under the Capital Goods Scheme
- Describe the consequences for a landlord of exercising or terminating the option to tax a letting
- Explain the VAT treatment where a property developer leases a residential property prior to its supply

**Other VAT on Property issues**

- Explain the “two thirds rule” in relation to property
- Outline when the transfer of ownership of immovable goods is deemed not to be a supply of goods
- Outline the VAT treatment of certain sub-contractors services and certain other land related services
- Describe how intra-group property transactions are treated

**8. Explain the detailed rules in relation to overpaid VAT, the appeals procedure and Revenue powers****Overpaid VAT**

- Explain the concept of “unjust enrichment”
- Apply the concept of “unjust enrichment” to claims for refunds of VAT

**Appeal procedure**

- List the events relating to VAT which may be appealed
- Describe the role of the Appeal Commissioners in the context of these VAT appeals
- Identify the provisions of the TCA 1997 which apply to VAT appeals
- Describe the roles of the Irish Circuit, High and Supreme Courts in the VAT appeals process
- Describe the role of the European Court of Justice in the VAT appeals process
- State when costs of appeal may and may not be awarded to the taxpayer

**Revenue powers**

- State when and where Revenue may publish the names of VAT defaulters
- State how and in what circumstances authorised Revenue officials may inspect and remove records
- State the circumstances where Revenue's power to arrest may be exercised
- List the different ways in which Revenue may recover VAT due
- Cite the statutory penalties that may be sought by Revenue in relation to VAT and state the time limits relating to these
- Outline the circumstances in which Revenue may forfeit and seize goods
- Explain how the findings in the *Halifax* case apply to Irish indirect taxes
- Explain how Section 811 TCA 1997 applies to indirect taxes

**9. Describe the application of other indirect taxes, including customs duty****Customs duty**

- Explain the concept of customs duty and state when it arises
- Explain how goods are classified for customs duty purposes
- Explain how goods are valued when calculating the customs duty due
- Explain the principal reliefs from customs duty
- State the purpose of the Single Administrative Document and describe its contents
- Explain the interaction of excise duty, customs duty and import VAT
- Calculate the customs duty arising on a single transaction

**10. Explain how indirect taxes apply to atypical supplies of goods and services****Supply chain**

- Outline the VAT issues relating to supply chain management

## Professional Advice, Tax Audits and Ethics

This subject covers everything which has been covered elsewhere in the AITI programme, but at a high level (for example, you will need to summarise the issues but without citing the legislative reference). It also covers Revenue audits, Revenue powers and appeal procedures in detail, as well as giving consideration to the ethical issues that AITI qualified Registered Tax Consultants may face when giving tax advice.

The objective of this module is to bring aspects of capital taxes, personal taxes, business taxes and indirect taxes together with ethics, Revenue powers and Revenue audits in detailed case studies.

### Learning objectives

Upon completion of this subject, students will be able to:

1. Analyse a case study and interpret the information provided
2. Identify the taxation issues
3. Deal with specific technical issues arising
4. Address all relevant taxes in their answers, as well as applying knowledge of non-taxation subjects, namely law and accountancy
5. Suggest a possible course or alternative courses of action that address the taxation issues in a commercially sound manner
6. Write clear and unambiguous advice which displays an appreciation of the personal, business or commercial issues involved
7. Identify areas where advice is required from other advisers, and their role in the provision and implementation of the advice
8. Prepare a detailed plan to assist with the project management of the implementation of the advice provided
9. Identify what reliefs are available under each taxhead and the procedures and timing involved in claiming these reliefs. Emphasis will be placed on the knowledge of tax reliefs, the ability to apply such reliefs and familiarity with the processes involved in claiming them
10. Identify potential conflicts between taxing provisions and reliefs relevant to different taxes
11. Present a reasoned argument of the strengths and weaknesses of the technical positions taken on the various tax issues
12. Research from various sources (including legislation, case law and Revenue practice) and across various taxheads and apply the research to multi-discipline case studies
13. Advise on the practice and provisions that apply to Revenue audits and powers including the appeal procedure

### Assessment

End of term examination	100%
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There is no formal syllabus for the majority of this subject it covers the learning outcomes from the other eleven subjects of the AITI. However, there are learning outcomes for the aspects relating to learning objective 13, as follows:

### **13. Advise on the practice and provisions that apply to Revenue audits and powers, including the appeal procedure.**

#### **Revenue audits and powers**

- Describe the courses of action open to a taxpayer prior to a Revenue Audit
- Describe what is involved in a Revenue Audit
- Outline some practical rules for Revenue Audits
- Explain what records a taxpayer is obliged to retain
- Describe Revenue's powers to:
  - inspect documents and records
  - require production of accounts and books
  - use the Gardaí
- Describe the penalty provisions in place post 24 December 2008
- Apply the rules and Code of Practice to a set of circumstances and advise a taxpayer of their rights and obligations

#### **Appeal Procedure**

- Describe the principal appeal provisions that apply in respect of income tax and corporation tax
- Describe the other appeal provisions set of in the TCA 1997
- Describe the appeal provisions for taxes (excluding VAT) and duties that are not included in TCA 1997
- Outline Revenue's Internal Review Procedures

While the other modules focus on depth of knowledge, this module focuses on the breadth of knowledge and skills and the ability to take what you have covered elsewhere and apply it to a real-life case-study.

The manual is broken down into the following chapters:

- Revenue Audits & Powers
- Appeal Procedures
- Ethics and Professional Conduct
- Start –Up (looks at the potential tax issues in the start-up phase of a business)
- Expansion (looks at the potential tax issues relating to a business expansion)
- Maturity, Diversification & Payouts ( looks at the potential tax issues relating to alternative investment opportunities)
- Wind-down & Exit (looks at the potential tax issues relating to the wind-down of a business or the exit of one or more of the stakeholders from the business)
- Continuation & Succession (looks at the potential tax issues relating to a business owner retiring and passing control to a new owner).

Each chapter of the manual for this module contains:

- A detailed list of pre-reading detailing where the relevant material has been covered elsewhere on the AITI programme
- a series of questions that students should ask themselves when about to answer a case study that falls into that broad category

- case studies which pull together aspects of the different modules of the AITI into a single advisory letter.

Students should use this manual as a guide on drawing together the knowledge and skills from the other modules.

Below are two examples of case studies included in the manual for this module. They list the chapters from the manuals for the other modules which are relevant to providing advice to the taxpayer along particular lines. The below lists are not exhaustive. The examples are included to provide students with guidance on what will be expected of them in this module.

**Ireland's intellectual property regime** will require students to draw on knowledge and skills learnt from the following modules and chapters:

**Personal Taxes: Application & Interaction**

- Exemptions and reliefs
- Restriction of 'specified reliefs' for high earners
- Schedule F

**Business Taxes: Application & Interaction**

- Capital allowances
- Issues relating to intellectual property
- Disposal of business assets and investments
- Close companies

**Advanced Personal Taxes**

- Double tax agreements

**Advanced Business Taxes**

- Domestic taxation of international business
- Double tax agreements

**Advanced Indirect Taxes**

- Cross border supplies (services)
- Deductible and non-deductible VAT
- EU impact

**Marital breakdown** will require students to draw on knowledge and skills learnt from the following modules and chapters:

**Capital Taxes: Application & Interaction**

- Taxation of married couples and civil partners
- Exemptions
- Administering an estate
- Family businesses

**Personal Taxes: Application & Interaction**

- Taxation of married couples

- Exemptions and reliefs

**Advanced Personal Taxes**

- Legal framework surrounding relationship breakdown in Ireland

**Advanced Indirect Taxes**

- Post 1 July 2008 transactions involving property
- Other supplies

## Professional Skills Workshops

These workshops take the research methodology students developed during previous Professional Skills Workshops and applies it to more complex business tax case studies. In addition to interpreting legislation and case law, students must look at other sources of law and guidance for assistance in interpretation, and apply their research to the facts in a given case study. Students must write to Revenue, draft advice to other professional advisors or draft advice to the taxpayer, clearly setting out the tax consequences and advising on the implementation of any tax advice. Students should also identify input required from other advisers.

### Learning Objectives

Upon completion of these workshops, students will be able to:

1. Interpret legislation and case law
2. Carry out focused research leading to technically sound conclusions
3. Translate complex legal concepts and communicate implications as professional tax advice
4. Project-manage the effective implementation of advice provided

### Assessment

The skills attained through completion of this workshop will be examined through the home assignment for Advanced Business Taxes.

### Research materials

- Taxes Consolidation Act 1997
- Stamp Duties Consolidation Act 1999
- Relevant Irish and International case law
- Relevant other sources of law including:
  - Revenue Statements of Practice and e-Briefs / Tax Briefings
  - Revenue precedents and interpretations
  - Regulations
  - Statutory Instruments

**1. Interpret legislation and case law****Interpreting legislation**

- Set out the rules of interpretation
- Explain the presumptions that apply in interpreting legislation
- Identify other aids to interpretation of legislation
- Apply the rules of interpretation to explain a legislative provision

**Interpreting case law**

- Explain judicial precedent as a source of law
- Identify the different elements of a judgement
- Interpret a case and explain the ruling

**2. Carry out focused research leading to technically sound conclusions****Research**

- Identify any potential tax issues under all tax heads included in a narrative case study
- Research across Irish and international law as applicable to the tax issues, using the most appropriate taxation or legal database(s)
- Prepare a file note documenting research using the appropriate legal writing guidelines

**3. Translate complex legal concepts and communicate implications as professional tax advice****Writing tax advice**

- Prepare a letter of advice to your client, other professional advisors or a letter to Revenue

**4. Project-manage the effective implementation of advice provided****Implementation**

- Identify the steps required to implement any advice provided
- Prepare an implementation plan for the advice provided