

UK taxation for business and individuals – advanced

Unit level 7

Unit code R/617/9085

GLH 60

Credit value 20

Unit grading structure

Pass-Merit-Distinction

Unit aims

The aims of this unit are to ensure that students have a detailed understanding of the techniques of the key aspects of taxation. It will extend the students' knowledge of the tax system, together with their ability to apply that knowledge to the issues commonly encountered by individuals and businesses in the UK. This knowledge will allow students to interpret and analyse the information provided and communicate the outcomes in a manner appropriate to the intended audience.

The unit builds on previous taxation study and extends the knowledge of income tax, corporation tax, capital gains tax and inheritance tax to encompass, further overseas aspects of taxation, the taxation of trusts and additional exemptions and reliefs.

This unit does not focus in detail on the numerical and computational aspects of taxation, but seeks to develop a student's ability to analyse, interpret and communicate taxation information. Computations and practical examples will be used to support explanations and client advice.

Learning outcomes

The learner will:

Assessment criteria

The learner can:

Pass

Merit

Distinction

1. Understand advanced aspects of the UK taxation system.

1. Analyse income and income tax liabilities relating to overseas aspects of organisational activities.

1. Evaluate income and income tax liabilities in relation to trusts.

1. Assess the use of stamp taxes in the UK taxation system.

2. Explain the application of additional exemptions and reliefs.

3. Analyse chargeable gains and capital gains tax liabilities involving overseas aspects of organisational activities.

4. Examine the application of inheritance tax, relating to the principles of valuation and the reliefs available, transfers of property to and from trusts, overseas aspects of organisational activities and further aspects of administration.

5. Assess the application of corporation taxation liabilities relating to overseas aspects of organisational activities.

6. Evaluate the use of Value Added Tax in the UK Taxation System.

2. Be able to assess the impact of relevant taxes in given situations.

1. Apply taxes to given situations.

2. Analyse tax advantages and disadvantages of different courses of action.

3. Assess the Statutory obligations imposed in a given situation, including the implications of non-compliance.

1. Assess the effect on taxation of financial decisions made by individuals and businesses.

1. Evaluate how alternative ways of achieving personal and business outcomes may lead to different tax consequences.

Learning outcomes
The learner will:

Assessment criteria
The Learner can:

Pass

Merit

Distinction

3. Be able to apply taxation planning measures to minimise or defer tax liabilities.

1. Evaluate types of investment and expenditure resulting in a reduction in tax liabilities.
2. Review legitimate tax planning measures.
3. Evaluate the mitigation of tax for individuals and businesses.

1. Evaluate ethical and professional issues arising from the giving of tax planning advice.

1. Review current issues in taxation.

4. Be able to communicate taxation information to all relevant stakeholders.

1. Communicate advice and information in an appropriate format for all relevant stakeholder
2. Note assumptions made and limitations to the information provided to stakeholders
3. Assess non-taxations factors applicable to individual stakeholders.

Indicative content

1. Understand advanced aspects of the UK taxation system

- Income tax and National Insurance to include:
 - The scope of income tax
 - Income from employment
 - Income from self-employment
 - Property and investment income
 - The comprehensive computation of taxable income and the income tax liability
 - National Insurance contributions for employed and self-employed persons
 - The use of exemptions and reliefs in deferring and minimising income tax liabilities
 - Concepts of residence, domicile and deemed domicile.
- Chargeable gains and capital gains tax liabilities to include:
 - The scope of the taxation of capital gains
 - The basic principles of computing gains and losses
 - Gains and losses on the disposal of movable and immovable property
 - Gains and losses on the disposal of shares and securities
 - The computation of capital gains tax
 - The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets.

1. Understand advanced aspects of the UK taxation system (continued)

- Inheritance tax to include:
 - The scope of inheritance tax
 - The basic principles of computing transfers of value
 - Liabilities arising on chargeable on the death of an individual person
 - Calculation of inheritance tax liabilities
 - Payment systems for inheritance tax liabilities
 - The liabilities arising on the chargeable lifetime transfers and on the death of an individual
 - The use of exemptions in deferring and minimising inheritance tax liabilities.
- Corporation tax to include:
 - The scope of corporation tax
 - Taxable total profits
 - Chargeable gains for companies
 - The comprehensive computation of the corporation tax liability
 - The effect of a group corporate structure for corporation tax purposes
 - The use of exemptions and reliefs in deferring and minimising corporation tax liabilities.
- Stamp taxes to include:
 - The scope of stamp taxes
 - Liabilities arising on transfers
 - Use of exemptions and reliefs in deferring and minimising stamp taxes.
- Value added tax (VAT) to include:
 - The scope of VAT
 - VAT Registration requirements
 - VAT rates
 - Cash and accruals systems of accounting for VAT
 - Computation of VAT liabilities and completion of VAT returns
 - Special schemes for accounting VAT.

2. Be able to assess the impact of relevant taxes in given situations

- Identification of key advice that is required to be supplied on the taxes applicable in a specific situation.
- Alternative ways of achieving personal or business outcomes learning to different tax consequences – to include comparisons of alternative scenarios.
- Assessment of how taxation affects financial decisions for both incorporated and unincorporated business organisations.
- Assessment of how taxation affects financial decisions of individuals.
- Advantages and Disadvantages of different courses of actions for individuals and both incorporated and unincorporated business organisations.
- Understanding of statutory obligations imposed in a set scenario – to include time limits and non-compliance.

3. Be able to apply taxation planning measures to minimise or defer tax liabilities

- Range of different types of investment and other expenditure that may result in a reduction in tax liabilities for individuals and both incorporated and unincorporated business organisations. Be able to advise on the appropriateness of each of these types.
- Understanding of legitimate tax planning.
- Mitigation of tax based on numerical analysis and reasoned argument.
- Assessment of ethical and professional issues.
- Current issues in taxation in the UK.

4. Be able to communicate taxation information to all relevant stakeholders

- Stakeholders, to include:
 - Shareholders
 - Employees
 - Potential investors
 - Directors
 - Managers
 - Suppliers
 - Customers
 - Lenders
 - Government
 - Analysts
 - HMRC.
- Communication to include:
 - Emails
 - Reports
 - Letters
 - Memoranda
 - Meeting notes
 - Face-to-face communication.
- Understanding of the limitations of any analysis completed.
- Explanation of assumptions made when providing a client with information.

Unit assessment

The assessment for each unit is based on the achievement of the learning outcomes at the standards set by the assessment criteria for that unit. The learner can achieve a Pass, Merit, Distinction or Fail for each unit based on the quality of the work submitted and the assessor's judgements made against the criteria provided.


The assessment is completed through the submission of internally assessed learner work which is subject to external moderation or verification.

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