

THE INSTITUTE OF INDIRECT TAXATION ASSOCIATE EXAMINATION SYLLABUS

General

Questions will be set so as to test students' knowledge of the taxes, their application to commercial transactions and the interaction between the taxes. The Institute reserves the right to alter/amend the syllabus as it considers appropriate.

The Associate examination will comprise four papers each of three hours fifteen minutes duration (15 minutes reading time and 3 hours writing time) and from 2008 will be sat using the modular system (details at www.theiit.org.uk). These four papers are as follows:-

Details of each paper are contained in the following pages

Changes effective from 31st December 2010

With effect from 31st December 2010 the Institute is to suspend the Associate Customs Route

Therefore, with effect from 1st January 2011, and until further notice, there will no distinction between the two routes. The Institute will still continue to cover all the indirect taxes in its syllabus with the change meaning that Paper II will cover VAT only with all other indirect taxes being covered in Paper III.

The Institute is actively working to introduce a **Customs Diploma**. Developments will be posted at the website.

PAPER I
GENERAL - LEGAL, BUSINESS and PROFESSIONAL ETHICS

1. Legal Forms of Business entity

Company
Partnership
Sole trader
LLP

Joint venture/co ownership
Trusts (as a trading entities)

2. Bookkeeping & accountancy

Accounting records
Double entry book keeping
Difference between statutory accounts
and management accounts

Preparation of accounts
Understanding accounts

3. Basics of auditing

What is an audit and what is its purpose?
Sampling techniques

Balance sheet auditing
The concept of materiality

4. Basics of business law

Contract law
Agency
Employment/Self-employment
Company law

Insolvency
Land and property
Trusts

5. Negligence

Professional practice

6. The UK legal system

The court structure (including tribunals)
Law reports and the use of precedents
Legislation:
primary
secondary
tertiary

Techniques of interpretation
Judicial review
Common Law

7. E C Law

The treaties, structure & membership
of the EC
The role of:
The European Court of Justice
Parliament
Council
Commission

Techniques & interpretation of EC Law
Direct application of EC Law

8. Professional Ethics

The role of the professional
Integrity
Proceeds of Crime Act
Money Laundering

Disclosure of all relevant information

PAPER II VAT

1. Registration and de-registration

Taxable persons
Classes of persons who can be registered
Liability to registration

Cancellation of registration
Aggregation
Flat rate scheme for farmers
Group registration

2. Business

Meaning of “economic activity” and “business”
Deemed businesses (including clubs, associations and government depts)

Commencement, reorganisation and cessation of businesses
Non business activities
Transfers of business

3. Supplies

Meaning of “supply”
Meaning of “consideration”
Link between supply & consideration
Composite supplies
Multiple supplies
Mutual supplies

Exempt and taxable supplies
Time of supply
Value of supplies
Place of supply of goods
Place of supply of Services
Classification of supplies ie. of goods, services or ‘non’ supplies

4. Deemed Supplies, including:

Reverse charge
Supplies by and through agents
Self supplies
Imports and acquisitions (see also 9 & 10)
Goods acquired from another Member State
The charge to tax on imports
Transactions treated as supplies (incl. assets held at de-registration)

Tax suspension
Reliefs (including temporary imports)
The charge to tax on acquisitions
Supplies made without consideration (including goods used for private or non-business purposes)

5. Input Tax

Meaning of “input tax”
Transactions giving rise to input tax
Goods and services excluded from credit (including tour operators margin scheme and other margin schemes)

Attribution of input tax and partial exemption
Capital Goods Scheme

6. Output tax

Meaning of “output tax”
Persons liable to account for and pay output tax
Accounting and payment

Margin schemes for goods
Retail schemes
Tour operators scheme
Options to tax land & buildings
Bad debt relief

7. Exemptions, including land and buildings

8. Zero rating

9. International Trade - Goods

Non EU Trade

Meaning of “export”
Proof of export
Imports
Valuation of Imports

EU Trade

Goods for removal to an EC Member State
Supply and Acquisitions
Accounting and Payment of Tax on acquisitions

10. Payments, Pre-payments and Refunds

VAT returns
Imported goods
Acquisitions made by non-taxable persons
Assessments
Claims for refund or repayment of tax under 8th and 13th Directives

Enforcement
Protection of the Revenue
Interest and repayment supplements

Cash Accounting Scheme
Annual Accounting scheme
Flat Rate Scheme
DIY Refund Scheme
Claims for overdeclared/overpaid VAT – adjustment of errors

11. Records and control

Assurance visits
EC trading information returns (including EC sales listings and Intrastats)
Powers (including to enter, inspect, search and arrest)

Records to be maintained and preserved
Under declaration of tax (including assessments)
VAT Invoices

12. Penalties

Criminal proceedings

Civil penalties

13. Appeals

The right of appeal
Grounds of appeal and jurisdiction for appeal
Determination of an appeal application

Costs and interest
Further remedies (including judicial review)

14. VAT Avoidance

Disclosure rules

PAPER III
OTHER INDIRECT TAXES

Level of Knowledge required - (3) = HIGH, (2) = MEDIUM, (1) = LOW

PART I - CUSTOMS DUTIES

1. The Administration of customs duties

Administration in the UK, customs procedures, CHIEF, etc (3)
Appeals – right of appeal, jurisdiction and procedures (3)
Interaction with other jurisdictions, eg. former EFTA (1)

Prohibitions and Restrictions (2)
The Customs debt (2)
The Customs Union – EC Regulations, etc (3)

2. Import entry procedure and transshipment

Declaration of imports to Customs (3)
Reduced rates of duty (3)

Transit procedures (2)
Customs clearance procedures (3)
Occasional importers (1)

3. Valuation (3)

Customs Duty (3)

Import VAT (3)

4. Tariff Classifications (2)

5. Preferences - import and export

Introduction (2)
 Meaning
 Countries concerned
 Eligibility and rules of origin
Documentation (2)
Transport rule (2)

Entry to Warehousing(1)

6. Exports outside the EC

Procedures (3)
Effects (3)

7. Removals to other Member States (3)

8. International Administration

Countries involved (1)
Permanent committees and their work (1)
Structure of Organisation (1)

Work & effectiveness of Organisation(1)
World Customs Organisation (1)

9. Licenses

Licensing arrangements (2)
Notices to importers (2)
Official journal (2)
OGIL (2)

Regulators (2)
Requirements (2)
Restrictions on imports (2)
Scope (2)

10. Tariff quotas

Introduction (2)
The System (2)
Regulators (2)
CTQU (2)
Special provisions (2)

Claims
How to claim (2)
Customs checks (2)
Critical quotas (2)
Deferred claims (2)

11. CAP

Overview (1)
Objectives (1)
Products covered (1)
Imports (1)
Charges (1)
Licences and AFC's (1)

Special procedures (1)
Exports (1)
General (2)
Licences and AFC's (1)
Scheduling procedure (1)
Refunds (1)

12. Duty Reliefs

Permanent reliefs (3)
Temporary importation (3)
Type
Requirements to be met
Control

Inward processing relief (3)
Introduction
Authorisation
Suspension
Drawback
Compensatory interest
Equivalence
Using warehouses or free zones
Aircraft

Outward processing relief (3)
Introduction
Authorisation
Exporting OPR goods
Importing goods
Information documents

Returned goods relief (3)
Introduction
Conditions for relief
Customs Duty
VAT
CAP charges
Export procedures
Re-importation

End - use relief (3)
Introduction
Authorisation
Imports
Records
Completion or transfers
Special procedures

Personal reliefs (2)

13. Free zones (2)

Introduction

Entering goods into a free zone
Work carried out in the free zone

Removal of goods from a free zone
Payment of duty etc.
Records required

14. Customs Warehouse (3)

Advantages of Customs warehouse
What goods can be warehoused
Types of warehouse
Authorised keepers

Transfer of goods between warehouses
Removals from warehouse
Records
VAT

PART II - EXCISE DUTIES

1. Betting duties

General betting duties

Introduction (3)
Registration and security (2)
Records and accounts (2)
Legal powers and penalties (2)
Special bets (1)

Pool betting duty (2)

Who pays duty
Definition
Permits
Paying duty
Records and accounts

Bingo duty (2)

Liability to duty
Notification and payment
Records and accounts
Other conditions
Rate and calculation of duty
Returns
Customs & Excise powers

Amusement machine licence duty (3)

Duty liability rates
Licences
Payments
Transfers
Customs & Excise powers

2. Alcoholic liquor duties (2)

Dutiable liquor duties

Statutory definitions of:

Spirits
Beer
Wine
Made wine
Cider

Statutory methods of ascertaining:

Strength
Weight
Volume
Gravity

Definition and scale of degree of proof relief

Manufacture of spirits

Approvals licensing and entry provisions
Records and accounts
Distillers warehouse - Security and construction of
Manufacturing operations
Duty Stamps
Regulation of wholesalers
Taking account and warehousing
CAP refunds
IPR
Offences and penalties

3. Tobacco products (2)

Dutiable tobacco products
Definition of tobacco products
Amount of duty charged
Control and records
Registration

Removals and warehousing
Importation
Returns
Offences and penalties

4. Hydrocarbon oil duties (2)

Commodities subject to duty
Definition of "hydrocarbon oil"
Light oil
Heavy oil
Exclusions from definition

Rate and calculations of duty
Exceptions to duty
Rebates of duty for qualifying use -
Excise duty relief
Excise duty drawback

5. Excise Warehouse (3)

What goods can be warehoused
Approvals of warehouses
Access and security

Removals to and from warehouse
Receipts
Home use
Exports/shipstores

Duty suspension

Authorised keepers

Operations in warehouse
Stock control
Operations allowable
Losses and deficiencies

Records and accounts

6. REDS (3)

What are REDS
Who trades as REDS
Excise goods
Receiving duty paid/duty suspended
goods

Accounting for duty
Tax representative
Control
Records

PART III - AIR PASSENGER DUTY (3)

1. Overview

2. Statutory framework

3. Scope of the tax

Flights affected

Definition of passenger

4. Registration

How to
Removal from

When to

5. Fiscal representatives

Appointment and notification

Cessation

6. Record keeping requirements

Records required

Air Passenger duty account

Records required by relevant operators

Returns and payment

PART IV - INSURANCE PREMIUM TAX (3)

1. Overview

2. Statutory framework

3. Scope of the tax

Taxable contracts

Meaning of insurance

Ships, aircraft and other special cases

Goods in transit and containers

Export credit and finance

Main types of taxable insurance

Site of risk

Definitions

4. Method of accounting

Tax point

Cash received basis

Special accounting scheme

Date of first application

Anti avoidance provisions

5. Registration

Whom/How/When

Exemption from

Failure to

Cancellation of Group

6. Transfer of a going concern

7. Record keeping requirements

Records needed

Disclosure of documents and information

Returns for and payment of IPT

8. Administration problems

Assessments

Interest

Incorrect Returns/Overpaid tax

Challenging Customs

9. Tax representatives

When necessary

Duties of

Appointment and notification

10. Liability of the insured

When a liability arises
Payment by an insured

Reimbursement by an insurer
Records required

11. Effect of IPT

Brokers and intermediaries
Captive insurers
Use of a common tax representative by
groups of companies
Other unincorporated bodies

Lloyds
Partnerships
Protection and indemnity clubs and other
mutual insurers

12. Penalties

Fraudulent evasion
False information
Evasion

Failure to take action
Other offences
Reasonable excuse

PART V - LANDFILL TAX (3)

1. Overview

2. Statutory framework

3. Scope of the tax - Rates of tax

Qualifying material
Determination of weight

Exemptions

4. Basis of the tax

5. Registration

Application
Notification of changes

Transfer of business
Special cases

6. Record keeping requirements

Returns
Landfill tax account
Correction of errors

Payment of tax
Records

7. Credit

General
Permanent removal

Bad debts
Bodies concerned with the environment

8. Distress and Diligence

PART VI - CLIMATE CHANGE LEVY (3)

1. Overview

2. Statutory Framework

3. Scope of the Tax

Taxable supplies – general
Taxable supplies - electricity

Taxable supplies – gas
Taxable supplies – other commodities

4. Basis of Calculation and rates of Levy

5. Reliefs and Special Treatment for Taxable Supplies

Exclusions
Reduced Rate

Exemption
Half Rate

6. Excluded Supplies

Domestic Use
Educational Use

Non Business Charity Use
Mixed Use

7. Exempt Supplies

Supplies not for burning in the UK
Producers other than electricity producers
Supplies to and from Combined Heat and
Power stations (CHP)
Exemption – Self Supplies

Transport
Supplies to and from electricity producers
Supplies to and from Good Quality CHP
Schemes
Exemption – Renewable sources

8. Reduced Rate Supplies – Energy Intensive Users

9. Half Rate Supplies to Horticultural Producers

10. PP11 Certificates

11. Deemed Supplies

12. Importation of Taxable Commodities

13. Tax Points for Levy Purposes

14. Bad Debt Relief

15. Registration and Deregistration

16. Accounting for the Levy

17. Penalties, Interest and Assessments

18. Reviews and Appeals

PART VII - AGGREGATES LEVY (3)

1. Overview

2. Statutory Framework

3. Scope of the tax – Rate of Levy

Aggregate
Taxable Aggregate
Exemptions

Determination of Weight
Mixed Loads

4. Basis of the levy

5. Registration

Applications
Notification of changes

Transfer of business
Special cases

6. Record keeping requirements

Returns
Aggregates Levy Account
Correction of errors

Payment of the levy
Records

7. Credits

General
Repayments

Bad Debts

8. Distress and diligence

PART VIII - BUSINESS RATES (1)

1. General Outline

2. Valuation

3. Exemption and Reliefs

4. Administration

5. Appeals

PAPER IV
STAMP TAXES DIRECT TAXES AND INTERACTION OF ALL TAXES
LEVELS OF KNOWLEDGE REQUIRED
1 = KNOWLEDGE OF STRUCTURE 2 = PRACTICAL KNOWLEDGE 3 – BEING ABLE TO ADVISE

<u>Level</u>	<u>STAMP TAXES</u>	
	PART I – STAMP DUTY	
<i>1</i>	1. Scope of Stamp duty post 30 November 2003	
	PART II – STAMP DUTY RESERVE TAX	
<i>1</i>	1. The Principle Charge	
	Chargeable securities	Administration, assessment, collection and recovery
<i>1</i>	2. Reliefs	
	Intermediaries Bearer instruments	Foreign securities
<i>1</i>	3. Interaction with Stamp Duty	
	PART III – STAMP DUTY LAND TAX	
<i>3</i>	1. Land Transactions	
	Contract and conveyance Transfer of rights (or sub-sales) Leases/leasehold interests	Options and rights of pre-emption Exchanges
<i>3</i>	2. Chargeable Interests, Chargeable Transactions and Chargeable Consideration	
	Contingent, uncertain or unascertained consideration	Deemed market value where transaction involves connected company
<i>3</i>	3. Amount of Tax Chargeable	
	Amount of tax chargeable: general	Amount of tax chargeable: rent
<i>3</i>	4. Reliefs	
	Disadvantages areas relief Group, reconstruction and acquisition reliefs	Charities relief

3	5. Returns and Other Administrative Matters	
	Notifiable transactions	Registration of land transactions (certificates of compliance Further return where relief is withdrawn
	Returns, enquiries, assessments and related matters	
3	6. Liability for Payment of Tax	
	Liability for tax	Interest and penalties
	Payment of tax	Application to defer payment of contingent or uncertain consideration
3	7. Compliance	
	Information powers	Penalty for assisting in preparation of incorrect return
	Offence of fraudulent evasion of tax	Categories of ‘purchaser’ <ul style="list-style-type: none"> ▫ Companies ▫ Joint purchasers ▫ Partnerships ▫ Trustees ▫ Persons acting in a representative capacity
3	8. Further Provisions	
	Linked transactions	
	Appeals against assessments, etc	Interaction with Value Added Tax

DIRECT TAXES AND INTERACTION OF ALL TAXES

PART I – INCOME TAX

2	1. Presentation of basic income tax computation, including exempt income, distinction between earned and unearned income, rates of income tax
1	2. Reliefs and allowances (PA, PAA, MCAA, charitable giving, CTC, WTC)
2	3. Property income (rent a room relief, furnished holiday lettings, premium on grant of leases)
	4. Employment income
2	Benefits (exempt, all employees, PIID employees – key principles)
1	Share incentives & options (distinction between approved & non approved and consequences)

PART IV - CORPORATION TAX

2 1. Corporation tax computation

Key differences between company and sole trader
CTAPs

Calculation of rate of corporation tax

Marginal relief

1 2. Company tax losses – rules for offset

1 3. CTSA – outline of filing and payment obligations

2 4. Corporation tax and groups

Impact on rate of corporation tax

Consortium relief – outline of how relief works

Group relief – outline of how relief works

Capital gains groups – implications of being within a gains group

1 5. Close Companies – general principles of a close company rather than detailed rules

1 6. Personal Service Companies – impact of legislation in broad terms

PART V INTERNATIONAL TAX

2 1. Transfer Pricing

1 2. Withholding agreements

PART VI INTERACTION

2 1. Tax advantages of trading via a company cf partnership/sole trader

2 2. Incorporation of a business – tax consequences

2 3. Acquisition/disposal of a business – assets vs shares

2 4. s343 transfers and use of hive downs

2 5. Tax consequences of liquidations

2 6. Interaction of different taxes on particular commercial decisions

2 7. Tax Consequences of investigations