



# *ICAEW ACA syllabus and technical knowledge grids*

**PROFESSIONAL LEVEL  
TAX COMPLIANCE**

**For exams in 2019**

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# *ACA overview*

The ICAEW chartered accountancy qualification, the ACA, is one of the most advanced learning and professional development programmes available. Its integrated components provide an in-depth understanding across accountancy, finance and business. Combined, they help build the technical knowledge, professional skills and practical experience needed to become an ICAEW Chartered Accountant.

Each component is designed to complement each other, which means that students can put theory into practice and can understand and apply what they learn to their day-to-day work. The components are:

- Professional development
- Ethics and professional scepticism
- Three to five years practical work experience
- 15 accountancy, finance and business exams

## **PROFESSIONAL DEVELOPMENT**

ICAEW Chartered Accountants are known for their professionalism and expertise. Professional development prepares students to successfully handle a variety of different situations that they encounter throughout their career. The ACA qualification improves students' ability and performance in seven key areas:

- adding value
- communication
- decision making
- ethics and professionalism
- problem solving
- teamwork
- technical competence.

## **ETHICS AND PROFESSIONAL SCEPTICISM**

Ethics is more than just knowing the rules around confidentiality, integrity, objectivity and independence. It's about identifying ethical dilemmas, understanding the implications and behaving appropriately. We integrate ethics throughout the ACA qualification to develop students' ethical capabilities – so they will always know how to make the right decisions and justify them.

## **THREE TO FIVE YEARS' PRACTICAL WORK EXPERIENCE**

Practical work experience is done as part of a training agreement with an authorised training employer or principal. Students need to complete 450 days, which normally takes between three and five years. The knowledge, skills and experience they gain as part of their training agreement are invaluable, giving them the opportunity to put what they're learning into practice. Experience can be completed in at least one of the following six categories:

1. Accounting
2. Audit and assurance (audit is not compulsory)
3. Financial management
4. Information technology
5. Insolvency
6. Taxation.

## 15 ACCOUNTANCY, FINANCE AND BUSINESS EXAMS

Students gain in-depth knowledge across a broad range of topics in accountancy, finance and business. The exams are designed to complement their practical work experience, so they constantly progress through the qualification.

There are 15 exams over three levels – Certificate, Professional and Advanced. They can be taken in any order with the exception of the Case Study which has to be attempted last, within the final year of an ACA training agreement and once all other exams have been taken or received credit.

### CERTIFICATE LEVEL

There are six exams at this level that introduce the fundamentals of accountancy, finance and business. Students may be eligible for credit for some exams if they have studied a qualification we recognise. Find out more at [icaew.com/cpl](https://www.icaew.com/cpl).

These six exams are also available as a stand-alone certificate, the ICAEW Certificate in Finance, Accounting and Business (ICAEW CFAB) and as part of the ICAEW Level 4 Trailblazer in Accountancy. ICAEW CFAB and our apprenticeship can serve as stepping stones to the ACA qualification.

### PROFESSIONAL LEVEL

The next six exams build on the fundamentals and test students' understanding and ability to use technical knowledge in real-life scenarios. The exams can be taken in March, June, September and December. Please note, the Business Planning alternative exams for banking and insurance are available at the June, September and December sittings.

Prescribed texts are permitted for Audit and Assurance, Finance Accounting and Reporting and Tax Compliance, with open books permitted for the Business Planning exams.

The Professional Level exams are flexible and can be taken in any order to fit with a student's day-to-day work. The Business Planning and Business Strategy and Technology exams in particular help students to progress to the Advanced Level.

Alternative exams are available for the Business Planning and Financial Accounting and Reporting modules.

The Business Planning exams provide students with the opportunity to gain subject- and sector-specific knowledge while studying for the ACA. The suite of Business Planning exams are based on the same syllabus structure and skills frameworks, and will provide students with the opportunity to demonstrate their learning and use this in the context of taxation, banking or insurance. There are three to choose from – Business Planning: Taxation, Business Planning: Banking and Business Planning: Insurance. Students will need to sit one of the Business Planning exams.

Alternative financial reporting exams are also available for Financial Accounting and Reporting. Students can choose between two different contexts, either UK GAAP or IFRS. This means that

students can study the financial reporting framework most beneficial to their employer and clients. Students will need to sit one version of the Financial Accounting and Reporting exam.

## **ADVANCED LEVEL**

The Corporate Reporting and Strategic Business Management exams test students' understanding and strategic decision making at a senior level. They present real-life scenarios, with increased complexity and implications from the Professional Level exams.

The Case Study tests all the knowledge, skills and experience gained so far. It presents a complex business issue which challenges students' ability to problem solve, identify the ethical implications and provide an effective solution.

The Advanced Level exams can be taken in July and November. They are fully open book, so they replicate a real-life scenario where all the resources are at their fingertips.

An authorised training employer or principal will guide their students on the exams which are right for them. If a student is studying the ACA independently, they should consider their future ambitions when selecting which exams to sit.

## **SYLLABUS**

This document presents the learning outcomes for each of the ACA exams. The learning outcomes in each exam should be read in conjunction with the relevant technical knowledge grids and, where applicable, the skills development grid.

## **ASSESSMENT**

The six Certificate Level exams each have a 1.5 hour computer-based exam, a 55% pass mark, and can be sat throughout the year at an ICAEW-approved test centre.

The Professional Level exams are 2.5 hours long, except for Financial Accounting and Reporting which is 3 hours long. Each exam has a 55% pass mark. The Professional Level exams are examined using computer-based exams. The Audit and Assurance, Financial Accounting and Reporting, Financial Management and Tax Compliance exams moved to computer in 2017 and are no longer available as paper-based exams.

Business Planning: Taxation and Business Strategy and Technology will move to computer-based exams in March 2018, with Business Planning: Banking and Business Planning: Insurance moving to computer-based exams in June 2018.

From June 2018, all Professional Level exams will be computer-based.

The three Advanced Level modules are also examined using paper-based exams. The Corporate Reporting and Strategic Business Management exams are 3.5 hours long. The Case Study exam is 4 hours long. Each has a 50% pass mark.

For more information, guidance and support on the introduction of computer-based exams, visit the exam resources area on our website at [icaew.com/cbe](http://icaew.com/cbe)

## **FLEXIBILITY**

There are no regulations stipulating the order in which students must attempt the exams, allowing employers to design training programmes according to business needs. The exception to this rule is the Case Study, which must be the last exam attempted and when a student has entered their final year of training.

Students will be permitted a maximum of four attempts at each Certificate and Professional Level exam, and unlimited attempts at the Advanced Level exams.

## **CREDIT FOR PRIOR LEARNING (CPL)**

Students with previous qualifications may be eligible to apply for CPL for up to 12 modules at the Certificate and Professional Levels. CPL is not available at the Advanced Level. For more information, visit [icaew.com/cpl](https://www.icaew.com/cpl)

## **OPEN BOOK POLICY**

For some Professional Level exams, students are permitted to take certain publications into the exam. Details of these publications and our open book policy can be found at [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts)

For the Professional Level Business Planning alternative exams, and at the Advanced Level, students are permitted to take any material into the exam, subject to practical space restrictions.

## SKILLS PROGRESSION THROUGH THE ACA QUALIFICATION

Skills	Certificate Level		Professional Level		Advanced Level	
	Assurance, Business, Technology & Finance, Law	Principles of Taxation, Management Information, Accounting	Financial Accounting & Reporting, Audit & Assurance, Financial Management, Tax Compliance	Business Planning and Business Strategy & Technology	Corporate Reporting and Strategic Business Management	Case Study
<b>Assimilating and using information</b>						
Understanding the situation and the requirements	Objective testing	Objective testing and simple scenarios	Scenarios		Complex scenarios	Unstructured complex business scenarios
Identifying and using relevant information	Information as provided		Single information source provided	Several information sources provided	Multiple information sources provided	Multiple information sources including own research
Identifying and prioritising key issues	Issues given		Issues included in scenarios		Issues included in complex scenarios	Issues included in unstructured complex scenarios
<b>Structuring problems and solutions</b>						
Structuring data	Specified techniques		Specified techniques	Techniques inferred by nature of problem	Techniques inferred by nature of problem	Unspecified techniques
Developing solutions	Highly specified tasks	Specified problems	Specified problems		Specified and implicit problems	Defined output but unspecified problems
<b>Applying judgement</b>						
Applying professional scepticism and critical thinking	Objective testing		Specified requirement in simple scenario	Specified requirement in scenario	Specified requirement in complex scenario	Underlying requirement within complex scenario
Relating issues to the broader business environment, including ethical issues	Objective testing	Objective testing and Issues in simple scenarios	Issues in scenarios		Issues in complex scenarios	Issues in complex, unstructured scenarios
<b>Concluding, recommending and communicating</b>						
Concluding and recommending	Objective testing	Not assessed	Specified conclusions and recommendations in simple scenarios		Specified conclusions and reasoned recommendations in complex scenarios	Conclusions and recommendations supported by own evidence
Communicating	Prescribed exam format		Exam requirements, including some professional presentation		Professional presentations including reasoned recommendations	Professional report with appendices

## PROFESSIONAL SKILLS ASSESSED IN THE ACA EXAMS

### Assimilating and using information

#### Understand the situation and the requirements

- Demonstrate understanding of the business context
- Recognise new and complex ideas within a scenario
- Identify the needs of customers and clients
- Explain different stakeholder perspectives and interests
- Identify risks within a scenario
- Identify elements of uncertainty within a scenario
- Identify ethical issues including public interest and sustainability issues within a scenario

#### Identify and use relevant information

- Interpret information provided in various formats
- Evaluate the relevance of information provided
- Use multiple information sources
- Filter information provided to identify critical facts

#### Identify and prioritise key issues and stay on task

- Identify business and financial issues from a scenario
- Prioritise key issues
- Work effectively within time constraints
- Operate to a brief in a given scenario

### Structuring problems and solutions

#### Structure data

- Structure information from various sources into suitable formats for analysis
- Identify any information gaps
- Frame questions to clarify information
- Use a range of data types and sources to inform analysis and decision making
- Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes
- Present analysis in accordance with instructions and criteria

#### Develop solutions

- Identify and apply relevant technical knowledge and skills to analyse a specific problem
- Use structured information to identify evidence-based solutions
- Identify creative and pragmatic solutions in a business environment
- Identify opportunities to add value
- Identify and anticipate problems that may result from a decision
- Identify a range of possible solutions based on analysis
- Identify ethical dimensions of possible solutions
- Select appropriate courses of action using an ethical framework
- Identify the solution which is the best fit with acceptance criteria and objectives
- Define objectives and acceptance criteria for solutions



## Applying judgement

### Apply professional scepticism and critical thinking

- Recognise bias and varying quality in data and evidence
- Identify assumptions or faults in arguments
- Identify gaps in evidence
- Identify inconsistencies and contradictory information
- Assess interaction of information from different sources
- Exercise ethical judgement

### Relate issues to the environment

- Appreciate when more expert help is required
- Identify related issues in scenarios
- Assess different stakeholder perspectives when evaluating options
- Retain an overview of the business issue or scenario
- Appraise corporate responsibility and sustainability issues
- Appraise the effects of alternative future scenarios
- Appraise ethical, public interest and regulatory issues

## Concluding, recommending and communicating

### Conclusions

- Apply technical knowledge to support reasoning and conclusions
- Apply professional experience and evidence to support reasoning
- Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.

### Recommendations

- Present recommendations in accordance with instructions and defined criteria
- Make recommendations in situations where risks and uncertainty exist
- Formulate opinions, advice, recommendations, plans, solution, options and reservations based on valid evidence
- Make evidence-based recommendations which can be justified by reference to supporting data and other information
- Develop recommendations which combine different technical skills in a practical situation

### Communication

- Present a basic or routine memorandum or briefing note in writing in a clear and concise style
- Present analysis and recommendations in accordance with instructions
- Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient
- Prepare the advice, report, or notes required in a clear and concise style

# Tax Compliance

## MODULE AIM

To enable students to prepare tax computations for individuals and companies in straightforward scenarios.

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

- recognise the ethical issues arising in the course of performing tax work and identify the obligations the UK system of taxation imposes on taxpayers and the implications for taxpayers of non-compliance;
- calculate the amount of VAT owed by or owed to businesses;
- calculate the amount of stamp taxes due in straightforward transactions;
- calculate the capital gains tax payable by individuals;
- calculate the amounts of inheritance tax due on lifetime transfers and transfers on death by individuals, personal representatives and trustees;
- calculate the corporation tax liabilities of companies;
- calculate the amounts of income tax owed by or owed to individuals; and
- calculate the amounts of national insurance payable by individuals, businesses and companies.

## TAXES COVERED IN THIS MODULE

Capital gains tax	Inheritance tax	VAT
Corporation tax	National insurance	
Income tax	Stamp taxes	

## METHOD OF ASSESSMENT

The Tax Compliance module is assessed by a 2.5 hour computer-based exam.

The exam will test each of the taxes on the syllabus as a discrete topic. Students may use the permitted text(s) as detailed on the ICAEW website; [icaew.com/permittedtexts](http://icaew.com/permittedtexts).

The exam will consist of five questions.

In the examination, students will generally be expected to assume that any beneficial election, claim or deduction has been made, unless otherwise directed in the exam.

## SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Ethics and law	5-10
2 Indirect taxes	10-15

3 Capital taxes	20-30
4 Corporation tax	15-20
5 Income tax and NIC	35-45

This grid provides guidance on the relative weighting between knowledge and skills:

	Weighting (%)
Knowledge	65-75
Skills	25-35

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

## 1 Ethics and law

Students will be able to recognise ethical issues arising in the course of performing tax work and identify the obligations the UK system of tax imposes on taxpayers and the implications for taxpayers of non-compliance.

In the assessment, students may be required to:

- a. identify the five fundamental principles and guidance given in the IESBA Code of Ethics for Professional Accountants and the ICAEW Code of Ethics as well as other relevant guidance, including Professional Conduct in Relation to Taxation (PCRT), in relation to a tax practice with regard to:
  - the threats and safeguards framework
  - disclosure of information
  - conflicts of interest
  - confidentiality;
- b. identify the law and the guidance in the ICAEW Code of Ethics as well as other relevant guidance, including Professional Conduct in Relation to Taxation (PCRT), with regard to:
  - new client procedures
  - regulatory requirements for tax practices
  - HMRC errors
  - money laundering
  - tax planning, tax avoidance and tax evasion;
- c. identify legal and ethical issues arising from tax work undertaken and explain the significance of these issues and suggest appropriate actions or responses; and
- d. identify and explain to all stakeholders the implications of digital tax accounts on UK taxpayers.

## 2 Indirect taxes

Students will be able to calculate the amount of VAT owed by or owed to businesses and calculate the amount of stamp taxes due in straightforward transactions.

In the assessment, students may be required to:

- a. explain the VAT consequences of property transactions;
- b. explain the VAT consequences of group registration for VAT;
- c. explain the VAT consequences of the option to tax;
- d. explain and calculate the VAT consequences of the capital goods scheme;
- e. calculate the VAT due to or from HMRC for both wholly taxable and partially exempt traders;
- f. explain the VAT consequences of imports and exports of goods and services to and from VAT registered and non-VAT registered persons within and outside the UK;
- g. explain the classification of supplies and the distinction between goods and services;

- h. identify and explain the differing VAT treatment of single and multiple supplies;
- i. identify common situations in which a liability to UK land and stamp taxes, Stamp Duty Reserve Tax, and Stamp Duty arises;
- j. identify situations where there is an exemption from stamp taxes; and
- k. calculate the amount of stamp taxes due in straightforward transactions.

### 3 Capital taxes

Students will be able to calculate the capital gains tax payable by individuals and trustees.

Students will also be able to calculate the amounts of inheritance tax due on lifetime transfers and transfers on death by individuals, personal representatives and trustees.

In the assessment, students may be required to:

- a. calculate the chargeable gains and losses on assets, including chattels, and shares and securities;
- b. describe the circumstances in which the following reliefs apply and calculate the effect of full or partial relief available in a given situation:
  - letting relief
  - principal private residence relief
  - gift relief
  - rollover relief
  - entrepreneurs' relief;
- c. explain the impact of an individual's residence, domicile and deemed domicile on their capital gains tax liability;
- d. calculate total taxable gains and tax payable thereon, using available reliefs and losses to reduce the liability, including the computation of double tax relief where appropriate;
- e. explain the principles of inheritance tax and identify the different classes of taxpayer liable to pay inheritance tax;
- f. explain the impact of an individual's domicile and deemed domicile on their inheritance tax liability;
- g. explain when the lifetime transfer of an asset gives rise to an inheritance tax liability, calculate the inheritance tax payable on chargeable lifetime transfers in straightforward scenarios and state the due date for payment;
- h. calculate the death tax due on lifetime transfers and state the due date for payment;
- i. calculate the value of an individual's estate at death and the inheritance tax due and state the due date for payment;
- j. describe the circumstances in which the following inheritance tax reliefs apply and calculate the amount of relief available in a given situation:
  - fall in value relief
  - agricultural property relief
  - business property relief
  - quick succession relief
  - taper relief; and
- k. calculate the interest and penalties due in respect of late payment of inheritance tax.

### 4 Corporation tax

Students will be able to calculate the corporation tax liabilities of companies.

In the assessment, students will be required to:

- a. explain the relevance of the distinction between revenue and capital for both receipts and expenses and apply the distinction in a given scenario;
- b. recognise the effect on trading profits of the treatment of:
  - provisions
  - capitalised revenue expenditure

- intangible assets;
- c. calculate trading profits or losses after adjustments and allowable deductions (including capital allowances on plant and machinery);
- d. calculate the chargeable gains and losses on assets, including chattels and shares and securities;
- e. describe the circumstances in which rollover relief applies and calculate the effect of full or partial relief available in a given situation;
- f. recognise the effect of the following issues on corporation tax payable:
  - having a period of account less than or more than 12 months in length
  - having one or more related 51% group companies;
  - being a member of a group;
- g. explain and illustrate how losses may be used effectively by a company or group;
- h. calculate the taxable total profit and the tax payable or repayable for companies including utilising losses to reduce the tax liability and the computation of double tax relief where appropriate; and
- i. identify the key features of the self-assessment system for companies, determine due dates for returns, payments and payments on account, and calculate the interest and penalties due for late submissions of returns, incorrect returns and late or incorrect payments of tax.

## 5 Income tax and NIC

Students will be able to calculate the amounts of income tax owed by or owed to individuals and trustees as well as the amounts of national insurance payable by employers, the self-employed and employees.

In the assessment, students may be required to:

### Trading profits

- a. explain the relevance of the distinction between revenue and capital for both receipts and expenses and apply the distinction in a given scenario;
- b. recognise the effect on trading profits of the treatment of:
  - provisions
  - capitalised revenue expenditure
  - intangible assets;
- c. calculate trading profits or losses after adjustments and allowable deductions (including capital allowances on plant and machinery) using either the accruals basis or cash basis of accounting;

### Unincorporated businesses

- d. calculate the assessable trading profits or losses of a partnership including after a change in the profit sharing ratio or change in partners, and allocate the profits or losses to each partner including the allocation of notional profits and losses;
- e. calculate the assessable trading profits or losses for a new unincorporated business and identify the overlap profits on the commencement of trade;
- f. calculate the assessable trading profits or losses for a continuing business;
- g. calculate the final assessable trading profits or losses for an unincorporated business ceasing to trade;
- h. calculate the assessable trading profits or losses of a continuing business following a change in accounting date; and
- i. explain and illustrate the possible uses of trading losses in a new or continuing business or a business ceasing to trade.

## **Taxation of income**

- j. calculate assessable employment income for an employee or director, taking into account expenses, allowable deductions and assessable benefits;
- k. calculate taxable savings, income from property, dividend income, taxed income and investment income;
- l. describe and calculate the principal aspects of the taxation of property income, including interest relief, rent-a-room relief, and the application of the cash basis;
- m. explain the alternative ways in which an individual can provide for retirement and calculate the tax relief available;
- n. explain the impact of an individual's residence, domicile and deemed domicile;
- o. calculate total taxable income and the income tax payable or repayable for employees, company directors, partners and self-employed individuals including the computation of double tax relief where appropriate and payments under the self-assessment system; and
- p. identify the key features of the self-assessment system for individuals, determine due dates for returns, payments, and payments on account, and calculate the interest and penalties due for late submissions of returns, incorrect returns and late or incorrect payments of tax.

## **National insurance contributions**

Students will be able to calculate the amounts of national insurance payable by individuals, businesses and companies.

In the assessment, students may be required to:

- q. identify the different classes of national insurance contributions;
- r. calculate the national insurance due on employment income and the assessable trading profits of the self-employed;
- s. recognise when the annual maxima rules for the payment of national insurance contributions apply; and
- t. calculate the total national insurance contributions payable by employees, employers and self-employed individuals.

## SKILLS ASSESSED

### Assimilating and Using Information

Understand the situation and the requirements	Identify and use relevant information	Identify and prioritise key issues and stay on task
<ul style="list-style-type: none"> <li>Identify ethical issues in a given scenario</li> </ul>	<ul style="list-style-type: none"> <li>Interpret information provided in various formats</li> <li>Evaluate the relevance and accuracy of information provided</li> <li>Filter information provided to identify critical facts</li> </ul>	<ul style="list-style-type: none"> <li>Work effectively within time constraints</li> <li>Operate to a brief in a given scenario</li> </ul>

#### How skills are assessed:

: *students may be required to:*

- explain the implications of proposed transactions in any of the following ways:
  - calculation of tax liabilities and reliefs available;
  - written description of tax treatments;
  - explanation of tax treatments in light of unstructured information relating to individuals, partnerships or companies;
  - description of the availability and values of tax reliefs within the context of numerical questions;
  - explanation of alternative tax treatments; and
  - explanation of ethical issues within given scenarios.

### Structuring problems and solutions

Structure data	Develop solutions
<ul style="list-style-type: none"> <li>Present analysis in accordance with instructions and criteria</li> </ul>	<ul style="list-style-type: none"> <li>Identify and apply relevant technical knowledge and skills to analyse a specific problem</li> <li>Use structured information to identify evidence-based solutions</li> <li>Select appropriate courses of action using an ethical framework</li> </ul>

#### How skills are assessed:

*students may be required to:*

- calculate tax liabilities from a given scenario;
- demonstrate relevant technical knowledge;
- perform relevant, accurate calculations in a logically structured way;
- identify different business entities and their tax status (eg, company, sole trader, partnership), and understand the tax implications thereof;
- integrate verbal descriptions with calculations;
- use calculations to illustrate an answer; and
- provide relevant legal and ethical information in the context of a tax scenario.

## Applying judgement

### Apply professional scepticism and critical thinking

- Recognise bias and varying quality in data and evidence
- Identify faults in computations and arguments
- Exercise ethical judgement

### How skills are assessed:

*students may be required to:*

- critically evaluate the quality, completeness and integrity of information put forward by tax payers;
- assess the legality of options and the consequences of various courses of action with regard to:
  - new client procedures;
  - HMRC errors;
  - money laundering;
  - tax planning, tax avoidance and tax evasion.

## Concluding recommending and communicating

### Conclusions

- Apply technical knowledge to support reasoning and conclusions

### Communication

- Present analysis and recommendations in accordance with instructions
- Prepare the advice, report, or notes required in a clear and concise style

### How skills are assessed:

*students may be required to:*

- analyse the implications of various courses of action out of a limited set of prescribed options;
- determine the tax implications of scenarios and proposals to provide alternative tax implications;
- take a given set of circumstances and reach a reasoned conclusion;
- justify a conclusion made using knowledge of the existing tax regime;
- show an illustrative example of possible VAT treatments eg with regard to transactions involving land and buildings;
- show an illustrative example of inheritance tax implications of a proposed lifetime transfer or a transfer on death;
- show an illustrative example of the impact of residency status on income tax, capital gains tax or corporation tax; or
- show an illustrative example of whether an individual is trading by applying the badges of trade to reach a reasoned conclusion.



# *Technical knowledge*

The tables contained in this section show the technical knowledge in the disciplines of financial reporting, audit and assurance, business analysis, ethics and taxation covered in the ACA syllabus by module.

For each individual standard the level of knowledge required in the relevant Certificate and Professional Level module and at the Advanced Level is shown.

The knowledge levels are defined as follows:

## **Level D**

An awareness of the scope of the standard.

## **Level C**

A general knowledge with a basic understanding of the subject matter and training in its application thereof sufficient to identify significant issues and evaluate their potential implications or impact.

## **Level B**

A working knowledge with a broad understanding of the subject matter and a level of experience in the application thereof sufficient to apply the subject matter in straightforward circumstances.

## **Level A**

A thorough knowledge with a solid understanding of the subject matter and experience in the application thereof sufficient to exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered by chartered accountants.

## **Key to other symbols:**

→ The knowledge level reached is assumed to be continued

# *Ethics Codes and Standards*

Ethics Codes and Standards	Level	Modules
IESBA Code of Ethics for Professional Accountants (parts A, B and C and Definitions)	C/D	<b>Certificate Level</b>
ICAEW Code of Ethics	B	Accounting
	C/D	Assurance
	D	Business, Technology and Finance
	C	Law
	C	Management Information
	C	Principles of Taxation
	A	<b>Professional Level</b>
	B	Audit and Assurance
	B	Business Strategy and Technology
	B	Financial Accounting and Reporting
	B/C	Financial Management
	B	Tax Compliance
	B	Business Planning
	A	<b>Advanced Level</b>
	A	Corporate Reporting
	A	Strategic Business Management
	A	Case Study
FRC Revised Ethical Standard (2016)	B	Assurance
	A	Audit and Assurance
	A	<b>Advanced Level</b>
	A	Corporate Reporting
	A	Strategic Business Management
	A	Case Study

# Taxation

Topic	Certificate and Professional Level		
	Principles of Taxation	Tax Compliance	Business Planning: Taxation
<b>LEGAL AND ETHICAL FRAMEWORK</b>			
Anti-money laundering guidance	C	B	A
Base erosion and profit-shifting project			B
Disclosure of tax avoidance schemes (DOTAS)			A
Extent of tax legislation to England, Wales, Scotland & Northern Ireland		C	B
General anti-abuse rule			A
HMRC	B	→	→
Objectives of taxation	C	→	→
Professional Conduct in Relation to Taxation (PCRT)		C	B
Tax planning, evasion and avoidance	C	B	A
<b>ADMINISTRATION</b>			
Administration	B	→	→
Appeals	C	→	→
Apprenticeship levy		C	→
Digital accounts	B	→	→
PAYE	B	→	→
Payments	B	A	→
Penalties and interest	B	→	→
Self-assessment	B	A	→
<b>CAPITAL GAINS TAX</b>			
<b>Chargeable gains</b>			
Annual exempt amount	B	A	→
Capital gains tax for trusts			B
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Chattels: wasting and non-wasting	B	→	→
Connected persons		A	→
Converted trading losses		B	→
Costs of acquisition and disposal	C	B	→
Leases			A
Nil gain/nil loss transfers		A	→
Part disposals		B	→
Qualifying corporate bonds		B	→
Rate of tax	B	A	→
Relief for capital losses		A	A
Reorganisations and reconstructions			A
Shares and securities (including bonus and rights issues)		B	→
<b>Chargeable gains reliefs</b>			

Topic	Certificate and Professional Level		
	Principles of Taxation	Tax Compliance	Business Planning: Taxation
Entrepreneurs' relief		B	A
Gift relief		B	A
Incorporation relief			A
Letting relief		A	→
Principal private residence relief		A	→
Reinvestment relief under EIS/SEIS			B
Roll-over relief		B	A
<b>Overseas aspects of capital gains tax</b>			
Arising basis		B	A
Deemed domicile		B	A
Domicile		B	A
Double tax relief		A	→
Gains on foreign assets		B	A
Remittance basis		B	A
Residence		C	A
Temporary absence			A
UK taxation of non-domiciled individuals		B	A
<b>INCOME TAX</b>			
<b>Trading profits</b>			
Adjustments to profits	B	A	→
Badges of trade	B	A	→
Capital allowances	B	A	→
Cash basis of accounting	B	A	→
Foreign currency transactions			A
Pension contributions		A	→
Pre-trading expenditure		A	→
Patent royalties			B
<b>Owner-managed businesses</b>			
Basis of assessment – current year basis	B	A	→
Change of accounting date		A	→
Commencement and cessation of trade	B	A	→
Overlap profits	B	A	→
Partnerships	B	A	→
Trading losses		A	→
Treatment of opening year losses		A	→
Treatment of terminal losses		A	→
<b>Employment income</b>			
Allowable deductions against employment income		A	→
Employment income	B	A	→
Share schemes			A
Statutory Mileage Rates Scheme		A	→
Taxable and exempt benefits	B	A	→

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Termination payments			B
<b>Other income/expenditure</b>			
Dividends from UK companies	B	A	→
Enterprise Investment Scheme			B
Investment income	B	A	→
ISAs	B	→	→
Lease premiums			A
Miscellaneous income		A	→
Property income	C	B	A
Savings income	B	A	→
Seed Enterprise Investment Scheme			B
Venture Capital Trusts			B
<b>Overseas aspects of income tax</b>			
Arising basis		B	A
Deemed domicile		B	A
Domicile		B	A
Double tax relief		A	→
Income on foreign assets and income from foreign employment		B	A
Remittance basis		B	A
Residence		C	A
UK taxation of non-domiciled individuals		B	A
<b>Income tax computation</b>			
Exempt income	B	A	→
Gifts of assets and cash to charity	B	A	→
Income tax liability and income tax payable	B	A	→
Income tax charge on child benefit		B	→
Independent taxation and jointly owned assets		B	A
Income tax for trusts			B
Limit on income tax reliefs		A	→
Married couples' allowance and marriage allowance	B	A	→
Pension contributions – provisions for retirement		B	A
Pension contributions – tax reliefs		B	A
Personal allowances	B	A	→
Qualifying interest payments		B	→
Rates of taxation	B	A	→
Taxable persons	C	A	→
<b>INHERITANCE TAX</b>			
<b>Fundamental principles of inheritance tax</b>			
Chargeable persons		B	→
Chargeable property		B	→
Excluded property		B	→
Inter-spouse transfers		A	→

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Rates of taxation		A	→
Related property		B	→
Seven-year accumulation period		A	→
Transfers of value		A	→
Trusts		C	B
Valuation		A	→
<b>Inheritance tax on lifetime transfers</b>			
Relevant property trusts		A	→
Potentially exempt transfers		A	→
<b>Inheritance tax on death</b>			
Death estate		A	→
Deeds of variation			B
Lifetime transfers		A	→
<b>Overseas aspects of inheritance tax</b>			
Deemed domicile		B	A
Domicile		A	→
Double tax relief		A	→
Lex-situs rules		A	→
<b>Reliefs &amp; exemptions from inheritance tax</b>			
Agricultural property relief		C	B
Annual exemption		A	→
Business property relief		B	A
Fall in value relief		A	→
Gifts to charities and political parties		A	→
Gifts with reservation of benefit			A
Inter-spouse transfers		A	→
Marriage/civil partnership exemption		A	→
Normal expenditure out of income		A	→
Quick succession relief		B	→
Small gifts exemption		A	→
Taper relief		A	→
<b>NATIONAL INSURANCE CONTRIBUTIONS</b>			
Classes of NIC	C	B	→
Directors		B	→
Maximum contributions		C	→
Taxable benefits		B	→
<b>CORPORATION TAX</b>			
<b>Chargeable gains</b>			
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Chattels: wasting and non-wasting	B	→	→

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Costs of acquisition and disposal	C	B	→
Indexation	B	A	→
Leases			A
Nil gain/nil loss transfers		A	→
Part disposals		B	→
Purchase of own shares			A
Qualifying corporate bonds		B	→
Relief for capital losses		A	→
Reorganisations and reconstructions			A
Shares and securities (including bonus and rights issues)		B	→
Substantial shareholding exemption		C	A
<b>Trading profits</b>			
Adjustments to profits	B	A	→
Badges of trade	B	A	→
Capital allowances	B	A	→
Foreign currency transactions			A
Long periods of account	C	A	→
Pension contributions		B	A
Patent royalties			B
<b>Taxable total profits</b>			
Chargeable gains	B	A	→
Intangible assets		B	A
Loan relationships	B	B	A
Loan relationships – corporate interest restriction			A
Miscellaneous income	B	A	→
Patent box			B
Property income (including lease premiums)		B	A
Qualifying donations	B	A	→
Research and development expenditure		A	→
Research and development tax credits		B	A
Trading losses		B	A
Trading profits	B	A	→
Use of deficit on non-trading loan relationships		B	A
<b>Corporation tax computation</b>			
Accounting periods	C	B	A
Close companies			A
Corporation tax liability	B	A	→
Distributions		B	→
Diverted profits tax			B
Double tax relief (including underlying tax and withholding tax)		B	→
Liquidation			A
Provision of services through a company			A

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	Principles of Taxation	Tax Compliance	Business Planning: Taxation
Rates of taxation	B	A	→
Residence	C	B	→
Tax treaties and the OECD Model Tax Convention			C
<b>Groups</b>			
Capital gains groups		B	A
Change in group structure			A
Change in ownership			A
Consortium relief			A
Controlled foreign companies			A
Degrouping charges		B	A
Group loss relief		B	A
Group relationships		A	→
Non-coterminous accounting periods			A
Overseas companies and branches			A
Pre-acquisition gains and losses			A
Related 51% group companies		B	A
Roll-over relief		B	A
Transfer of assets		B	A
Transfer pricing			A
<b>STAMP TAXES</b>			
Basic principles		B	→
Chargeable occasions		B	→
Exemptions		B	→
Stamp taxes for groups		B	→
<b>VAT</b>			
Capitals goods scheme		B	→
Classification of supplies		B	→
Distinction between goods and services		C	→
Overseas aspects		A	→
Group aspects		A	→
Input VAT	A	→	→
Output VAT	A	→	→
Partial exemption		B	→
Payments	A	→	→
Penalties and interest	A	→	→
Property transactions		B	A
Registration and deregistration	A	→	→
Single and multiple supplies		B	→
Small business reliefs	A	→	→
Taxable person	A	→	→
Taxable supplies	A	→	→
Transfer of a business as a going concern			A



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	Principles of Taxation	Tax Compliance	Business Planning: Taxation
VAT records and accounts	A	→	→