

Module 2

6.2.1 Advanced Taxation (Irish)

Module title	Advanced Taxation (Irish)
Module NFQ level (only if an NFQ level can be demonstrated)	9
Module number/reference	PGDAF02
Parent programme(s)	Post Graduate Diploma in Accounting and Financial Services
Stage of parent programme	
Semester (semester1/semester2 if applicable)	Semester 1
Module credit units	ECTS
Module credit number of units	10
List the teaching and learning modes	Lectures, Tutorials, Guided blended learning, Self and Peer-directed learning.
Entry requirements (statement of knowledge, skill and competence)	This is an <i>ab initio</i> module, though students will have met the minimum entry requirements and RPL criteria for the parent programme.
Pre-requisite module titles	N/A
Co-requisite module titles	N/A
Is this a capstone module? (Yes or No)	No
Specification of the qualifications (academic, pedagogical and professional/occupational) and experience required of staff (staff includes workplace personnel who are responsible for learners such as apprentices, trainees and learners in clinical placements)	The lecturer for this module is required to have a level 9 qualification in Accounting, Taxation or a cognate discipline, relevant industry experience, as well as a track record of teaching in a higher education institution.
Maximum number of learners per centre (or instance of the module)	40.
Duration of the module	One Academic Semester, 12 Weeks Teaching.
Average (over the duration of the module) of the contact hours per week	6
Module-specific physical resources and support required per centre (or instance of the module)	One classroom with capacity of 40 and a number of smaller classrooms for tutorials.

Analysis of required learning effort											
Effort while in contact with staff											
Classroom and demonstrations		Mentoring and small-group tutoring		Other (specify)		Directed e-learning (hours)	Independent learning (hours)	Other hours (specify)	Work-based learning hours of learning effort	Total effort (hours)	
Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner						
48	1:40	24	1:20				178			250	
Allocation of marks (within the module)											
				Continuous assessment		Supervised project		Proctored practical examination		Proctored written examination	Total
Percentage contribution				30%						70%	100%

6.2.2 Module aims and objectives

The aim of this module is designed to equip learners with the requisite skills and deep knowledge to enable them to provide value added taxation planning advice to individuals and corporations in complex situations involving scenarios with a variety of taxation headings and to be capable of communicating and justifying recommended tax planning strategies.

OBJECTIVES

To successfully complete this module the learner must be able to:

- A. Apply further knowledge and understanding of the Irish tax system through the detailed study of income tax, capital gains tax, capital acquisitions tax, stamp duty, corporation tax and value added tax. Engage in academic and practical discussion of the relative merits and issues involved in the formulation of tax legislation/regulation.
- B. Systematically and critically evaluate and explain the importance of taxation in personal and corporate financial management.
- C. Identify and evaluate the impact of the relevant taxes on various situations and courses of action, including demonstrating and analysing the implications of the complex interaction of various taxes

- D. Provide advice on minimising and/or deferring tax liabilities by the use of standard and advanced tax planning schemes and demonstrate critical and creative thinking through the innovative application of tax planning mechanisms/methodologies
- E. Communicate with clients, the Revenue Commissioners and other professionals in a professional and ethical manner.

6.2.3 Minimum intended module learning outcomes

On the successful completion of this module, students should be able to:

- MIMLO 2.1** Systematically and critically demonstrate knowledge application and understanding of the Irish tax system through the study of further capital taxes, together with more advanced topics.
- MIMLO 2.2** Discuss and evaluate the importance of taxation to personal and corporate financial management.
- MIMLO 2.3** Synthesise knowledge on the impact of relevant taxes on various business situations and courses of action, including the complex interaction of various taxes.
- MIMLO 2.4** Provide professional advice on minimising and/or deferring tax liabilities via the use of standard tax planning measures.
- MIMLO 2.5** Communicate professionally with clients, the Revenue Commissioners and other professionals and stakeholders.

6.2.4 Module content, organisation and structure

Indicative Syllabus:

1. Income and income tax liabilities in situations involving further overseas aspects and the application of exemptions and reliefs

The scope of income tax:

- Explain and apply the concepts of residence, ordinary residence and domicile and advise on their relevance to income tax
- Advise on the tax position of non-resident individuals
- Advise on the tax position of individuals coming to and leaving Ireland
- Determine the income tax treatment of overseas income

- Understand the relevance of the OECD model double tax treaty to given situations
- Calculate and advise on the double taxation relief available to individuals

Income from employment:

- Advise on the tax treatment of share option and share incentive schemes
- Advise on the tax treatment of lump sum receipts
- Advise on the aspects of income from overseas employment
- Advise on the tax treatment of a foreign employment exercised in the State and Irish employment exercised outside the State

Income from self-employment:

- Identify and distinguish between employment income and self-employment income
- Recognise the tax treatment of the investment income of a partnership

Property and investment income:

- Assess the tax consequences of income from trusts and settlements
- Understand the income tax position of trust beneficiaries
- Advise on the tax treatment of the issue of new shares in lieu of dividends
- Preparation of detailed computation of Irish rental income maximising reliefs and exemptions.

The comprehensive computation of taxable income and the income tax liability:

The use of exemptions and reliefs in deferring and minimising income tax liabilities:

- Advise on the types of pension scheme to which an employed person can contribute, the reliefs available in respect of contributions and the options available on retirement
- Advise on the types of pension scheme to which a self-employed person can contribute, the reliefs available in respect of contributions and the options available on retirement

2. Corporation tax liabilities in situations involving further overseas and group aspects and the application of additional exemptions and reliefs

The scope of corporation tax:

- Identify and calculate corporation tax for companies with investment business.
- Close companies: Apply the definition of a close company to given situations
- Conclude on the tax implications of a company being a close company or a close service company and compute the close company surcharge
- Conclude on the tax treatment of returns to shareholders after winding up has commenced
- Advise on the tax implications of a purchase by a company of its own shares.

Profits chargeable to corporation tax:

- Identify profits chargeable to corporation tax and exempt profits
- Advise on the restriction on the use of losses on a change in ownership of a company
- Advise on losses carried forward in the case of company reconstructions without change of ownership

The comprehensive calculation of the tax corporation tax liability:

- Prepare computations involving loss relief, group relief, close company surcharge
- Assess the impact of the OECD model double tax treaty on corporation tax
- Evaluate the meaning and implications of a permanent establishment
- Advise on the tax position of overseas companies trading in Ireland

The effect of a group structure for corporation tax purposes:

- Advise on the tax consequences of a transfer of chargeable assets between groups and non-group companies
- Advise on the tax consequences of a transfer of a trade and assets where there is common control
- Advise on the operation of consortium relief
- Determine pre-entry gains and losses and understand their tax treatment
- Determine the de-grouping charge where a company leaves a group within ten years of receiving an asset by way of a no gain/no loss transfer
- Determine the effects of the anti-avoidance provisions, where arrangements exist for a company to leave a group
- Advise on the operation of the holding company regime

3. Chargeable gains and capital gains tax liabilities in situations involving further overseas aspects and in relation to closely related persons and trusts together with the application of additional exemptions and reliefs

The scope of the taxation of capital gains:

- Determine the tax implications of transfers between spouses
- Identify the concepts of residence, ordinary residence and domicile and determine their relevance to capital gains tax
- Determine the Irish capital gains tax on foreign gains, including double taxation relief
- Conclude on the capital gains tax position of individuals coming to and leaving Ireland
- Determine the Irish capital gains tax position of non-residents
- Advise on the capital gains tax implications of transfers of property into and out of a trust

The basic principles of computing gains and losses (including gains and losses on development land):

- Identify connected persons for capital gains tax purposes and advise on the tax implications of transfers between connected persons
- Identify the circumstances when the market value rules apply
- Advise on the impact of dates of disposal and conditional contracts
- Evaluate the use of capital losses in the year of death.

Gains and losses on the disposal of movable and immovable property:

- Advise on the tax implications of a part disposal
- Determine the gain on the disposal of leases and wasting assets
- Establish the tax effect of appropriations to and from trading stock
- Advise on the tax effect of making negligible value claims

Gains and losses on the disposal of shares and securities:

- Apply the taxation rules relating to re-organisations, reconstructions and amalgamations and advise on the most tax efficient options available in given circumstances

The computation of the capital gains tax payable

The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets:

- Apply the taxation rules relating to retirement relief
- Establish the relief available on the transfer of a business to a company

4. Capital acquisitions tax

The scope of capital acquisitions tax:

- Identify and explain the persons chargeable to CAT
- Explain the concepts of residence, ordinary residence and domicile and understand the application of these concepts to capital acquisitions tax

The basic computational principles:

- State, explain and apply the meaning of gift and inheritance
- Define, explain and apply the meaning of date of gift, date of inheritance and valuation date
- Identify and advise on the tax implications of the location of assets

The liabilities arising on gifts and inheritances taken by individuals:

- Advise and compute the tax arising on lifetime benefits and of transfers within two years of death
- Advise on the operation of double tax relief
- Advise on the inheritance tax effects and advantages of disclaimers
- Understand the inter-relationship between capital gains tax and capital acquisitions tax and compute the available set-off

Computing value:

- Advise on the principles of valuation
- Advise on the availability of business property relief and agricultural relief
- Identify exempt benefits

The liabilities arising as a result of changes of interest in and capital distributions from trusts:

- Define a trust and distinguish between an interest in possession trust and a discretionary trust
- Advise on the capital acquisitions tax implications of transfers of property into trust
- Advise on the capital acquisitions tax implications of the termination of the life tenant's interest
- Understand and apply the definition of a discretionary trust
- Advise on the advantages and disadvantages of using a discretionary trust
- Identify the occasions when a charge to capital acquisitions tax will arise in the case of a discretionary trust

The use of exemptions and reliefs in deferring and minimising capital acquisitions tax liabilities:

- Advise on the use of reliefs and exemptions to minimise capital acquisitions tax liabilities

The system by which capital acquisitions tax is administered:

- Identify those responsible for the payment of capital acquisitions tax
- Advise on the due dates, interest and penalties for capital acquisitions tax purposes

5. Stamp duty

The scope of stamp duty:

- Identify the property on which stamp duty is payable

Identify and advise on the liabilities arising on documented transfers:

- Advise on the stamp duties payable on transfers of shares and securities
- Advise on the stamp duty payable on transfers of land

The use of exemptions and reliefs in deferring and minimising stamp duties:

- Advise on the taxation implications of group transactions.

- Advise on the operation of the relief from stamp duty on reconstructions and amalgamations of companies.
- Advise on the operation of the relief from stamp duty on transfers to young trained farmers.

Understand and explain the systems by which stamp duties are administered.

6. Value Added Tax (VAT)

The scope of value added tax (VAT)

The VAT registration requirements:

- Advise on the impact of group registration.

The computation of VAT liabilities

Advise on the VAT implications of the supply of land and buildings in Ireland including the sale or letting of:

- New buildings supplied after 1 July 2008, and
- Transitional buildings in existence at 1 July 2008
- The capital goods scheme
- Advise on the impact of waiver of exemption from VAT on short lettings

Advise on the VAT implications of imports and exports

Advise on the VAT implications of acquisitions and supplies within the EU

6.2.5 Reading lists and other information resources

Title	Author	Publisher	Year
Essential:			
Advanced Taxation (Irish)		BPP Professional	2021 & Annually
Irish Taxation Law & Practice (e-book)	Mulcahy, P.	Irish Institute of Taxation	2020
Recommended:			
Direct Tax Acts- Finance Act 2020	Fennel, D.	Irish Institute of Taxation	2021
Practical Corporation Tax – The Professional’s Guide	Byrne, J.	Irish Institute of Taxation	2020
The Taxation of Capital Gains	Riordan, D., O’Hanlon, F., and McCleane, J.	Irish Institute of Taxation	2018
Law of Capital Acquisitions Tax, Stamp Duty and LPT.	Keogan, A., and Scully, E.	Irish Institute of Taxation	2021

REFERENCE:

Journals:

Irish Tax Review
Journals of Accounting and Taxation
Journals of International Accounting
Journal of International Audit
Journal of International Taxation
Journal of Accounting Education
Journal of Taxation (UK)

Websites:

www.revenue.ie

Professional Magazines

Financial Management (CIMA)
Student Accountant (ACCA)
Accounting and Business ACCA
Accountancy Plus (CPA)
Accountancy Ireland (ICAI)