

Course unit title:	Taxation I		
Course unit code:	ABSA 413		
Type of course unit:	Compulsory		
Level of course unit:	Bachelor (1 <sup>st</sup> Cycle)		
Year of study:	3		
Semester when the unit is delivered:	5 (Fall)		
Number of ECTS credits allocated :	6		
Name of lecturer(s):	Dr. Andreas K. Georgiou, Dr. Christos Mina		
Learning outcomes of the course unit:	<ol style="list-style-type: none"> <li>1. Interpret the results of tax computations for individuals and companies.</li> <li>2. Identify the tax system in Cyprus and compare it to the UK.</li> <li>3. Construct tax computations for individuals and companies.</li> <li>4. Examine computational and theoretical aspects of VAT.</li> <li>5. Evaluate case study scenarios on business tax and propose tax saving schemes.</li> <li>6. Solve computations for capital gains tax for both individuals and companies concerning gains/losses for the disposal of immoveable property.</li> <li>7. Compare the structure of the tax system in Cyprus and compare it to the UK.</li> <li>8. Examine the procedures concerning the payment of temporary tax and actual tax for companies and individuals.</li> </ol>		
Mode of delivery:	Face-to-face		
Prerequisites:	ABSA 203	Co-requisites:	None
Recommended optional program components:	None		
Course contents:	<ul style="list-style-type: none"> <li>• <b>Capital Gains Tax:</b> Examine the scope of this tax. Examine the background of tax law concerning capital gains tax for both companies and individuals. The basic principles for computing capital gains and losses for companies and individuals. The computation of capital gains tax payable by individuals and companies. Identify the exemptions available to individuals and companies. Solve computations for capital gains tax for both individuals and companies concerning gains/losses for the disposal of immoveable property. Recognise the administration of the tax.</li> <li>• <b>Corporation tax:</b> Examine the format of corporation tax computation, to derive the profits chargeable to corporation tax (taxable income) and to calculate corporation tax liability and the amount due (including the possibility of an additional tax surcharge). Using the self and temporary assessments, to be able to calculate temporary tax. Sources of income for corporation tax including: trading income, investment income (such as those from dividends and interest income) and trading goodwill profit. Calculate capital allowances for companies. Analyse the tax law concerning what is allowed and what is disallowed for tax purposes. Evaluate the concept of residency and its effects on the tax computations of companies. Solve case study scenarios concerning the adjustment of profits for trading income. Apply the theoretical knowledge to prepare computations for corporation tax. Trading losses – its principles and computation. The application of loss relief to corporation tax computations. Examine the format for rent profits statements for companies. Solve case study scenarios concerning the adjustment of profits and rent assessments. Construct computations involving basic aspects (such as taxable income, losses). Rental income assessments. Capital allowances.</li> </ul>		

	<ul style="list-style-type: none"> <li>• <b>Overview of tax system:</b> Compare the structure of the tax system in Cyprus and compare it to the UK. Examine the roles of tax inspectors and tax collectors. Examine the issue of tax residency in Cyprus. Identify the structure of the tax system in Cyprus and compare it to the UK.</li>   <li>• <b>VAT:</b> Evaluate the basic principles of VAT for individuals and companies. Registration and deregistration. Tax point theory. Computations of VAT. Explain the purpose of VAT. Determine the different types of supplies. Examine the rules for calculating output and input VAT. Solve exercises that require a computation of VAT. Evaluate the procedure for registration and for deregistration. Analyse the benefits of voluntary registration.</li>   <li>• <b>Income tax and business tax:</b> Sources of income for income tax including: trading income, investment income (such as those from dividends and interest income) and trading goodwill profit. Analyse the tax law concerning what is allowed and what is disallowed for business tax purposes and for income from self-employment. Examine the format of income tax computation, to derive the taxable income (after taking total income less deductions/allowances) and to calculate income tax liability and the amount due. Using the self and temporary assessments, to be able to calculate temporary tax. Evaluate the concept of residency and its effects on the tax computations of individuals. Examine the format for rent profits statements for individuals. Solve case study scenarios concerning the adjustment of profits and rent assessments. Examine the tax law concerning employment income. Identify the term benefits in kind and the tax law. Trading losses – its principles and computation. The application of loss relief to income tax computations. Understand the law on deductions/allowances in minimising income tax liabilities using instruments such as: donations, life premiums, provident fund donations amongst others. Compute social insurance contributions for employees. Solve case study scenarios concerning the personal tax computations of employees including husband and wife scenarios.</li>   <li>• <b>Administration of tax:</b> Examine the procedures concerning the payment of temporary tax and actual tax for companies and individuals. The system of self-assessment and temporary assessments and the making of tax returns. Review the procedures considering appeals (objections), enquiries and time limit issues. Examine time limits for: submission of returns, claims and payment of tax. Examine the tax rules concerning late payment of tax and potential interest and penalty payments for individuals and companies. Examine penalties and interest for non-compliance including computations in case-study scenarios.</li>   <li>• <b>Tax planning:</b> Applying tax planning solutions for individuals and companies concerning: corporation tax, income tax, husband and wife cases, capital gains tax and VAT.</li> </ul>
Recommended and/or required reading:	None
Textbooks:	Polina Jacovides Michael: Cyprus Taxation: A Comprehensive Guide (Textbook), 2015.
References:	<p>BPP (2008) or latest edition, <b>AIA Professional Level 2 - Paper 16: Taxation and Tax Planning</b>, 2<sup>nd</sup> Edition, BPP Learning Materials.</p> <p>Kaplan Publishing, <b>ACCA Paper F6 Taxation</b>, Latest Edition, Kaplan Publishing.</p> <p>Deloitte Cyprus, <b>Cyprus Tax Facts 2017</b>, Deloitte Cyprus.</p>

