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| Course unit title:                       | Taxation II   |                |      |
| Course unit code:                        | ABSA 414  |                |      |
| Type of course unit:                     | Elective  |                |      |
| Level of course unit:                    | Bachelor (1st cycle)  |                |      |
| Year of study:                           | 3   |                |      |
| Semester when the unit is delivered:     | 6 (Spring)  |                |      |
| 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 advanced tax computations for individuals and companies.</li> <li>2. Identify the system of group relief in Cyprus and compare it to the UK.</li> <li>3. Construct advanced tax computations for individuals and companies.</li> <li>4. Examine computational and theoretical aspects of VAT and propose tax saving schemes.</li> <li>5. Evaluate case study scenarios on a multiple of taxes and propose tax saving schemes.</li> <li>6. Prepare computations for capital gains tax for both individuals and companies and interpret the results in the form of reports, memos or letters to clients.</li> <li>7. Understand and compute social insurance contributions for individuals and companies.</li> <li>8. Understand the scope of special defence contributions and prepare computations for individuals and companies.</li> <li>9. Understand and apply the penalties and interest due concerning the administration of tax giving advice to clients in the form of letters, memos or reports.</li> </ol> |                |      |
| Mode of delivery:                        | Face-to-face  |                |      |
| Prerequisites:                           | ABSA 413  | Co-requisites: | None |
| Recommended optional program components: | None  |                |      |
| Course contents:                         | <ul style="list-style-type: none"> <li>• All areas covered in ABSA 413 are transferred to ABSA 414.</li> <li>• <b>Capital gain tax</b> -Preparing computations of the chargeable gains of individuals and corporate taxpayers. Being able to calculate capital gains tax in group situations. Understanding and applying the various reliefs available to the taxpayer in minimizing his liability to Capital Gains Tax. Applying tax planning to capital gains tax Solve computations for capital gains tax for both individuals and companies concerning gains/losses for disposals of shares and other non-immovable property assets. The use of exemptions, deductions and reliefs (such as roll-over relief) in deferring and minimising capital gains tax liabilities. Apply the background of tax law concerning capital gains tax for both companies and individuals to tax planning. Prepare computations for capital gains tax for both individuals and companies and interpret the results in the form of reports, memos or letters to clients.</li> </ul>                   |                |      |

- **Social Insurance**- An introduction to Social Insurance and its computations concerning employees and employers.
- **Income tax** – the preparation of advance computations involving employed and self-employed individuals. An introduction to tax planning and how it can minimise the income tax liability. Examine tax-planning opportunities concerning rental income. Apply the tax law concerning employment income and benefits in kind and identify methods of saving tax incorporating social insurance contributions for self-employed individuals. Apply tax planning to solve case study scenarios concerning the personal tax computations of employees. Identify the effect of social insurance contributions on the income tax computations of employed individuals. Income tax computations for husband and wife scenarios (or individuals) with emphasis on tax planning issues.
- **Business tax** – calculation of the taxable profit and assessments thereon. The application of tax planning to business tax. Analyse the tax law concerning what is allowed and what is disallowed for business tax purposes. Apply the tax law concerning what is allowed and what is disallowed for business tax purposes and develop tax-planning schemes for the minimisation of tax for self-employed individuals. Analyse the law concerning loss relief and apply to case study scenarios. Foreign tax relief and its application to income tax computations. Foreign businesses and their effect on the income tax computation.
- **Corporation tax** – advanced computational aspects including the treatment of corporation tax losses including group tax losses. Examine the format of corporation tax loss and group relief computations. Apply the knowledge to min-case studies involving both single companies and group companies. The comprehensive calculation of corporation tax (its liability and amount due). Solve case study scenarios concerning tax planning concerning all aspects of corporation tax. The use of exemptions and reliefs in deferring and minimising corporation tax liabilities. Interpret the results and present in letter or report formats. Foreign operations by resident companies – its effect on corporation tax computations.
- **Group tax** -Identify the structure of the group tax system in Cyprus and compare it to the UK. Examine the effect of a group structure for corporation tax purposes. Group losses – its principles and computation. The application of group loss relief to corporation tax computations individual companies in a group structure. Examine schemes that minimise tax liabilities for groups.
- **Special Defence Contributions** – The scope of special defence contributions (SDC).The computation of SDC for individuals and companies for: interest income; dividend income and rent income. Deemed distribution provisions for the profits of companies and SDC computations therein for companies. Social cohesion fund contributions: scope and calculation.
- **VAT** - Aspects of VAT both computational and theoretical for

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|   | <p>individual businesses that include the calculation of the VAT Return bearing in mind various reliefs that may be claimed. VAT for groups. VAT and groups</p> <ul style="list-style-type: none"> <li>• <b>Administration of tax</b> – Understand and apply the procedures concerning the administration of tax giving advice to clients in the form of letters, memos or reports. Provide tax advice concerning late payment of tax and potential interest and penalty payments for individuals and companies. Calculations of penalties and interest on tax due to non-compliance of the law</li> </ul> |
| Recommended and/or required reading:              | None   |
| Textbooks:  | Polina Jacovides Michael: Cyprus Taxation: A Comprehensive Guide (Textbook), 2015.   |
| References:                                       | <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> <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>   |
| Planned learning activities and teaching methods: | <p>The taught part of course is delivered to the students by means of lectures. Lecture notes and presentations are available through the web for students to use in combination with the textbooks.</p> <p>Lectures are supplemented with class exercises carried out in class and via homework. The students will be asked to complete an assignment during the course.</p>  |
| Assessment methods and criteria:                  | <ul style="list-style-type: none"> <li>• Assignments 20%</li> <li>• Tests: 20%</li> <li>• Final exam 60%</li> </ul>  |
| Language of instruction:                          | English  |
| Work placement(s):                                | No   |