

AA35 - Corporate & Personal Taxation (CPT) - Key Learning Outcomes With effect from July 2019 Examination

Unit	Key Learning Outcomes	Syllabus Weightings %
Unit 1	<p>Explain the economic concepts of taxation, and Identify the components of the legal framework of taxation in Sri Lanka</p> <p>Explain functions of tax authorities in Sri Lanka</p> <p>State the chargeability to income tax of resident and non-resident persons in relation to the charging section of the Inland Revenue Act, and Identify the resident status of a person for tax purposes</p>	05%
Unit 2	<p>Assess the sources income from various sources of income including Employment income, business income, investment income and other sources of income.</p>	30%
Unit 3	<p>Prepare income tax computations of resident individuals and companies</p> <p>Assess the gross income tax liability applying appropriate tax rates and balance tax payable or the refund due</p> <p>Identify exempt income and final WHT payments.</p>	20%
Unit 4	<p>Explain taxation of Partnership, NGOs, Trusts, Unit Trusts and Charitable Institutions.</p> <p>Assess tax liability of partners</p> <p>Assess the income tax liability of charitable institutions, NGOs, and trusts</p>	10%
Unit 5	<p>State statutory provisions in respect of payment of tax, submission of return with necessary information, assessments and appeals.</p> <p>Explain tax in default, recovery procedure and circumstances of refund of tax</p> <p>Assess the Penal Provision</p>	10%
Unit 6	<p>Explain withholding tax and Final Tax</p> <p>Explain capital gains and return filing and payment of tax</p> <p>State the facts and relevance of given cases</p>	10%
Unit 7	<p>Explain the basis of applicability of VAT, NBT and Stamp duty to a small or medium size business undertaking, the registration threshold, Assess the tax payable in a straight forward, non-complex scenario including due dates for payment of tax and submission of returns, Identify VAT on financial services supplies.</p> <p>State the applicability of Economic Service Charge (ESC) and Nations Building Tax (NBT) to a business</p> <p>List specified instruments liable to stamp duty under Stamp Duty (Special Provisions) Act</p>	15%

AA35 - Corporate & Personal Taxation (CPT) - Detailed Content

Detailed Area	Level of Knowledge			Level of Action		
	Factual	Conceptual	Procedural	Comprehension	Application	Analysis
Unit 1 Introduction to Taxation (05%)						
1.1 Principles of Taxation		✓		✓		
1.2 Direct and Indirect Taxes		✓		✓		
1.3 Tax authorities in Sri Lanka	✓			✓		
1.4 Legal framework (including; Acts, Gazette Notices, Rulings & Case Law)	✓			✓		
1.5 Imposition of Income Tax - Charging Section (with interpretation of some words)	✓			✓		
1.6 Residence Rule	✓				✓	
Unit 2 Sources of Income (30%)						
2.1 Compute the income from Employment		✓		✓	✓	
2.2 Compute the income from business		✓		✓	✓	
2.3 Compute the income from other sources		✓		✓	✓	

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Unit 3 Taxation of Individuals and Companies (Resident) (20%)						
3.1 Sources of income, assessable income and taxable income of an individual		✓		✓	✓	
3.2 Sources of income, assessable income and taxable income of a company		✓		✓	✓	
3.3 Rates of income tax applicable to individuals and companies		✓		✓	✓	
3.4 Gross income tax liability of an individual		✓		✓	✓	
3.5 Gross income tax liability of a company (including; tax credits and deductions)		✓		✓	✓	
3.6 Balance tax payable		✓		✓	✓	
3.7 Exempt income and final WHT payments		✓		✓	✓	
Unit 4 Taxation of Miscellaneous Undertakings (10%)						
4.1 Partnerships		✓		✓	✓	
4.2 Charitable Institutions and NGOs		✓		✓	✓	
4.3 Trusts		✓		✓	✓	
4.4 Unit Trusts		✓		✓	✓	

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Unit 5 Obligations and Procedures (10%)						
5.1 Payment of income tax (self-assessment scheme and due dates)	✓			✓	✓	
5.2 Obligation of filing tax returns on due dates and validity	✓			✓		
5.3 Assessments	✓			✓		
5.4 Appeals (including; characteristics of a valid appeal, appeal settlement procedure)	✓			✓		
5.5 Tax in default (meaning and consequences) and recovery (including; steps, notice of tax in default, objection & means of recovery)	✓			✓		
5.6 Refunds	✓			✓		
5.7 Penal provisions	✓			✓		
Unit 6 Concepts and Applications (10%)						
6.1 Withholding tax and concept of final tax	✓			✓		
6.2 Capital gains and tax treatments	✓			✓		
6.3 Case Law (Sutherlands Vs. CIT, Crib Vs. CIT, A. A. Davoodbhoy Vs. CGIR, D.S. Mahawitharana Vs. CIR, Ram Ishwera Vs. CIR, CIT Vs. C.S. de Zoysa, Rajapakse Vs. CIT, Heyley Company Vs. CIR)	✓			✓		

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Unit 7 Business Taxes (15%)						
7.1 Value Added Tax - VAT (including; registration, basis of computation, obligations of a non-complex small or medium scale business and basics of SVAT scheme)	✓	✓		✓	✓	
7.2 Nation Building Tax - NBT (including; registration, basis of Computation, obligations of a non-complex small or medium scale business)	✓	✓		✓	✓	
7.3 Economic Service Charge - ESC (including; basis, rates, due dates)	✓	✓		✓	✓	
7.4 Stamp Duty - SD (Specified Instruments)	✓	✓		✓	✓	