



Student Handbook

ZICA Professional Diploma in Taxation

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ZICA

Student Handbook

ZICA Professional Diploma in Taxation

1.0 Registration and Entry Requirements

1.1 Registration Requirements

All students must register with the Institute at the start of their course. Student registration numbers will be sent to all students.

1.2 Minimum Entry Requirements

Normal route

Full school certificate, or its equivalent, with credits in English language, Mathematics and three other subjects.

Mature Age Entry Route (MAER)

Aged at least 18 years or at least three years 'working experience in accounting related functions.

Holders of any other qualifications approved by ZICA

2.0 Method of study

The method of study shall be full time and part time at colleges and Institutions approved by TEVETA. Private home study is also encouraged.

2.1 Full-time

The student on full time study attends class at one of the accredited tuition providers as a full-time student of the ZICA Diploma in Taxation

2.2 Part-time

The student on part-time study attends tuition at one of the accredited tuition providers as a part-time student of the ZICA Diploma in Taxation

2.3 Distance

The student on distance learning mode of study registers with the Institute and reads the materials for the subject they want to sit from home. They are not registered with any tuition provider.

NOTE: Students may change modes of study. However they must inform the Institute every time they wish to change.

3.0 Examinations

3.1 Examination Timetable

ZICA will run two examination sessions in a year; June and December. The Examination timetable for each year shall be sent to individual candidates and examination centres. The timetable will also be posted to the Institute's website www.zica.co.zm during the first week of February every year and published in all issues of the students Accountants magazine

3.2 Critical Dates

Students have to adhere to the closing dates in the table below

	Examination Sessions	
Fees	June	December
Registration / Re-registration / Exemption	31 March	31 August
Examination	30 April	30 September

All registered students must pay the annual subscription fee by 31st March of each year. Students that pay subscription fees after 31 March will pay a penalty fee as will be determined by the Institute.

3.3 Assessment

Assessment shall be by a national examination only.

All papers shall be marked out of 100. To pass any paper, a candidate must obtain at least 50%.

The results of the examinations shall be published within eight (8) weeks after the examinations.

Examination centres shall be approved by ZICA and published in the Student Accountant Magazine.

3.4 Examination Procedures

You must be in the examination room at least 30 minutes before the paper is due to commence. The doors will be closed at that time to enable the invigilator to issue instructions and distribute stationary, and give you an opportunity to sign the attendance register.

Do not bring any paper or printed material into the examination room. Possession of such material may result in your being barred from participation in the examination. Examination paper on which to answer the questions will be provided.

You must switch off your mobile phone.

If you arrive more than 40 minutes after the starting time of the examination, you will not be allowed to sit that paper.

You will not be permitted to leave the examination room during the first hour nor the last 30 minutes.

You will not be allowed finally to leave the examination room without permission until you have handed in your answer booklets.

You must cease writing immediately the invigilator has declared the examination over.

When you answer questions, you should:

- Start each answer on a new page
- Write answers in ink.
- Ensure that your student number, National Registration Card numbers are written on answer booklets in the blocks provided for this purpose.
- Read the instructions given carefully.
- Arrange your answers in a numerical sequence before handing in your examination paper.

4.0 Course Structure and syllabi

Introduction

This section comprises the detailed Syllabi and Course Structure of the ZICA Diploma in Taxation. It indicates what could be covered in each exam.

The syllabus gives the following information:

- **Syllabus objectives** – these are the general learning objectives. They indicate what you should understand and be able to do when you have studied and understood the whole syllabus.
- **Topic list** – the topic covered in each syllabus are listed in detail. Percentage weightings on each section of the syllabus should help you plan your study time.
- **Recommended reading** – this includes the study Manual, professional standards and other readings that should reinforce your understanding of the topics covered in the syllabus. The list is not exhaustive and you are advised to read as widely as possible.

4.1 Certificate in Taxation

Course structure

- C1 Business Management
- C2 Economics and Financial Mathematics
- C3 Accountancy for Tax Practitioners
- C4 Direct Taxes
- C5 Indirect Taxes
- C6 Law for Tax Practitioners

A ZICA Certificate in Taxation is acquired upon the successful completion of the course.

PAPER CI BUSINESS MANAGEMENT

This paper introduces students to the wider concepts of business organisation and governance, environmental influences, leading and managing individuals and teams, recruiting and developing effective employees and information and communication in business management.

Objectives

On completion of this paper, the student should be able to:

1. Explain the structure and nature of business organisations and their governance,
2. Identify the environmental factors and establish how they affect the management of organisations,
3. Apply management theories in the establishment of procedures for leading and managing individuals and groups in organisations,
4. Explain the role of management in recruiting effective employees,
5. Explain the management of the marketing function,
6. Explain the role of information and data in organisations and how it is communicated.

Structure of the examination paper

There shall be a three hour examination consisting of five (5) compulsory questions of twenty (20) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed syllabus

UNIT 1 - BUSINESS ORGANISATIONS AND GOVERNANCE

- Element 1: The business organisation and its structure
- Element 2: The formal and informal business organisation
- Element 3: Organisational culture in business
- Element 4: Stakeholders of business organisations
- Element 5: Committees in the business organisation
- Element 6: Business ethics and ethical behaviour
- Element 7: Governance and social responsibility in business

UNIT 2 - ENVIRONMENTAL INFLUENCES

- Element 1: Political and legal factors
- Element 2: Macro-economic factors
- Element 3: Social and demographic factors
- Element 4: Technological factors
- Element 5: Competitive factors

UNIT 3 - LEADING AND MANAGING INDIVIDUALS AND TEAMS

- Element 1: Leadership, management and supervision
- Element 2: Individual and group behaviour in business organisations
- Element 3: Team formation, development and management
- Element 4: Motivating individuals and groups

UNIT 4 - RECRUITING AND DEVELOPING EFFECTIVE EMPLOYEES

- Element 1: Recruitment and selection, managing diversity, and equal opportunity
- Element 2: Techniques for improving personal effectiveness at work
- Element 3: Training in the maintenance and improvement of business performance
- Element 4: Development in the maintenance and improvement of business performance
- Element 5: Learning in the maintenance and improvement of business performance
- Element 6: Review and appraisal of individual performance

UNIT 5 - MARKETING FUNCTION

- Element 1: Marketing and sales management
- Element 2: Market research and analysis
- Element 3: Marketing plans
- Element 4: Markets and customers
- Element 5: Marketing mix and the product life cycle

UNIT 6 - INFORMATION TECHNOLOGY AND COMMUNICATION

- Element 1: Features of effective communication
- Element 2: Oral and Written communication
- Element 3: Information technology and information systems in business
- Element 4: Data and information and their characteristics

Reading material

1. ZICA, Business Management, ZICA publications, Lusaka, Zambia
2. Cole G.A , Management theory and Practice, Fifth edition, Thompson Press
3. ZICA (2007), Management, ZICA Publications, Lusaka, Zambia.

PAPER C2 - ECONOMICS AND FINANCIAL MATHEMATICS

This Paper introduces students to the foundational aspects of Economics and Financial Mathematics and covers topics such as Macro-economics, money, banking & other financial institutions, public finance, international trade and payments, Theory of taxation, Basic Financial measures, Time value of money, Bond pricing and Yield Curve Analysis.

Objective

On completion of this paper, the student should be able to:

1. Explain the concepts of Macro and Micro Economics
2. Explain the Nature of money and financial institutions
3. Explain the key attributes of public finance
4. Carry out calculations of Financial Mathematics

Structure of the examination paper

There shall be a three hour examination consisting of five (5) compulsory questions of twenty (20) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed Syllabus

UNIT 1 - THE MACRO – ECONOMICS

- Element 1: Gross National Products and its sectorial contribution (manufacture, mining, including petroleum, agriculture, distribution and services)
- Element 2: Aggregate consumption, saving and investment (the multiplier effect theory)
- Element 3: Aggregate demand, employment and income, inflation, geographical distribution of economic activities.

UNIT 2 - MONEY, BANKING AND OTHER FINANCIAL INSTITUTIONS

- Element 1: Nature and functions of money and credit;
- Element 2: The banking system – Central Bank, commercial banks, merchant banks, and development banks;
- Element 3: The capital market – the Lusaka Stock Exchange, Securities and Exchange Commission.

UNIT 3 - PUBLIC FINANCE

- Element 1: Source of income to Government – direct taxation, indirect taxation;
- Element 2: Public Revenue allocation to the various tiers of government;
- Element 3: Nature and Scope of government intervention in industries and common features and problems of public sector enterprises, privatization versus commercialization – control of monopolies, mergers and restrictive trade practices;
- Element 4: Fiscal functions, with respect to fiscal institutions in Zambia;
- Element 5: Public goods and merits goods;
- Element 6: Trends in government activity;
- Element 7: Efficiency in government expenditures;
- Element 8: Introduction to fiscal stabilization;
- Element 9: Economics of the public debt;

- Element 10: Structure of public revenue;
- Element 11: Structure of public expenditure;
- Element 12: Problems of public debt and private international debt in Zambia.
- Element 13: Budgetary process of the Zambian Government.

UNIT 4 - INTERNATIONAL TRADE AND PAYMENTS

- Element 1: The law of comparative advantage;
- Element 2: Volume of international trade;
- Element 3: Terms of trade and balance of payments;
- Element 4: Exchange rate determinations;
- Element 5: Fixed versus floating exchange rate, and multiple exchange rates;
- Element 6: Foreign Exchange Markets;
- Element 7: Devaluation, Depreciation of currency;
- Element 8: International Trade and financial institutions; and
- Element 9: Regional bodies and other international economic organs.

UNIT 5 - THEORY OF TAXATION

- Element 1: The Zambian National Budget Process
- Element 2: Tax Policy in Zambia
- Element 3: General Tax and Revenue Design in Zambia
- Element 4: Categories and Classification of taxation
- Element 5: Objectives and functions of taxation
- Element 6: Cannons of Taxation
- Element 7: Determination of fiscal incidence in Zambia
- Element 8: Determination of the effective tax burden
- Element 9: Calculation of marginal effective tax rates
- Element 10: Measurement of the productivity of the Zambian tax system
- Element 11: Widening of the Zambian Tax Base

UNIT 6 – BASIC FINANCIAL MEASURES

- Element 1: Objectives
- Element 2: Yield Measures
- Element 3: Total Return Analysis
- Element 4: Net Present Value
- Element 5: Duration
- Element 6: Convexity
- Element 7: Price Value of a Basis Point

UNIT 7 – TIME VALUE OF MONEY

- Element 1: Objectives
- Element 2: Future Value of Money
- Element 3: Present Value of Money
- Element 4: Future Value of Annuities
- Element 5: Present Value of Annuities
- Element 6: Present Value of Perpetuities
- Element 7: Amortisation
- Element 8: Internal Rate of Return

UNIT 8 – BOND PRICING

- Element 1: Objectives
- Element 2: Pricing of Option –free Bond
- Element 3: Pricing of Floater & Inverse Floater
- Element 4: Price Determination between Coupon Periods
- Element 5: Yield Analysis
- Element 6: Price Volatility
- Element 7: Yield to Call
- Element 8: Yield to Maturity

UNIT 9 – YIELD CURVE ANALYSIS

- Element 1: Objectives
- Element 2: Introduction to yield curve analysis
- Element 3: Types of Yield Curves
- Element 4: Analyzing Yield Curves
- Element 5: Bond Arbitrage Strategies
- Element 6: Application of Yield Curves

UNIT 10 – PROBABILITY DISTRIBUTIONS

- Element 1: Objectives
- Element 2: Types of Probability Distribution

UNIT 11 – MEASURING VOLATILITY

- Element 1: Objectives
- Element 2: Review of Concepts
- Element 3: Normal Distribution
- Element 4: Introduction to Volatility
- Element 5: Estimating Volatility

UNIT 12 – CORRELATION & REGRESSION ANALYSIS

- Element 1: Objectives
- Element 2: Introduction to correlation
- Element 3: Calculating Correlation
- Element 4: Regression Analysis

Notes

PAPER C3 ACCOUNTANCY FOR TAX PRACTITIONERS

This Paper assumes elementary knowledge of accounting and focuses on interpretation of financial statements for tax purposes. It covers topics such as Company accounts, preparation of accounts from incomplete records, Ratio Analysis, Cash Flow Statements and the Regulatory Framework of Financial Accounting.

Objectives

A student who has successfully completed this subject should have:

1. A knowledge of accounting concepts relating to the preparation of the Balance Sheet, Income Statement and Cash Flow Statements;
2. The ability to effectively interpret financial reports and supporting notes;
3. The ability to calculate and interpret financial reporting ratios;
4. The ability to understand accounting issues in commercial transactions; and
5. An awareness of the limitations of financial reports.

Structure of the examination paper

There shall be a three hour examination consisting of five (5) compulsory questions of twenty (20) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed Syllabus

UNIT 1 - NATURE OF ACCOUNTING

- Element 1: The Meaning of Accounting
- Element 2: The role of Accounting in the management of organizations
- Element 3: Users of Accounting Information
- Element 4: The Principal Financial Statements
- Element 5: The Role of the Accountant

UNIT 2 - THE LEGAL & REGULATORY FRAMEWORK

- Element 1: Introduction
- Element 2: Company Law
- Element 3: Accounting Standards
- Element 4: The Lusaka Stock Exchange
- Element 5: The International Influences

UNIT 3 – THE FRAMEWORK OF FINANCIAL ACCOUNTING

- Element 1: Fundamental Accounting concepts
- Element 2: The Accounting Equation
- Element 3: The principle of double entry bookkeeping
- Element 4: Type of financial statements and their tax implications.
- Element 5: The Distinction between Profit & Cash
- Element 6: Distinction between capital and revenue items.

UNIT 4 – THE BALANCE SHEET & INCOME STATEMENT

- Element 1: Purpose and Layout of the Balance Sheet
- Element 2: Assets
- Element 3: Liabilities
- Element 4: Capital
- Element 5: Layout of the Trading Account
- Element 6: Layout of the Profit and Loss Account
- Element 7: Relationship with the Balance Sheet
- Element 8: Balance Sheet Redrafting (Adjusting for post balance sheet events)

UNIT 5 – FINANCIAL RECORDS

- Element 1: Source Documents
- Element 2: Books of Prime Entry
- Element 3: The Ledger

UNIT 6 – PREPARATION OF ACCOUNTS FROM A TRIAL BALANCE

- Element 1: The Trial Balance
- Element 2: Trading, Profit & Loss Account
- Element 3: Accounting Process Overview
- Element 4: The Balance Sheet

UNIT 7 – PERIOD END ADJUSTMENTS

- Element 1: Cost of Goods Sold
- Element 2: Accruals and Prepayments
- Element 3: Bad and Doubtful Debts
- Element 4: Depreciation
- Element 5: Stock and their Valuation
- Element 6: Treatment of Current Taxes
- Element 7: Treatment of Deferred Taxes

UNIT 8 – CONTROLLING THE ACCOUNTING SYSTEM

- Element 1: Preventing Errors
- Element 2: Detecting Errors
- Element 3: Bank Reconciliation Statements
- Element 4: Reconciliation of Supplier Statements
- Element 5: Control Accounts
- Element 6: Suspense Accounts and Correction of Errors
- Element 7: Computers in Accounting
- Element 8: Accounting Coding Systems

UNIT 9 – PREPARATION OF ACCOUNTS OF NON-PROFIT ORGANIZATIONS

- Element 1: Preparation of receipt and payment account.
- Element 2: Income and expenditure account
- Element 3: Accumulated Fund
- Element 4: Balance Sheet
- Element 5: Income from Trading Activities

UNIT 10 – PREPARATION OF ACCOUNTS FOR JOINT VENTURE

- Element 1: Principles of joint venture in accounting
- Element 2: Preparation of joint venture accounts

UNIT 10 – PREPARING ACCOUNTS FROM INCOMPLETE RECORDS

- Element 1: Introduction
- Element 2: Use of Control Accounts
- Element 3: Credit Sales and Debtors
- Element 4: Purchases and Trade Creditors
- Element 5: Purchases, Stocks and Cost of Sales
- Element 6: Expenses Figures
- Element 7: Opening Capital
- Element 6: The Cash Book and Bank Account Summaries
- Element 7: Accruals and Prepayments
- Element 8: Drawings
- Element 9: Comprehensive Approach

UNIT 11 – LIMITED COMPANY ACCOUNTS

- Element 1: Introduction
- Element 2: Framework of Limited Company Accounts
- Element 3: Share Capital & Reserves
- Element 4: The Final Accounts of Limited Companies
- Element 5: Taxation in Company Accounts
- Element 6: Accounting for Dividends
- Element 7: Provisions, Reserves and Liabilities
- Element 8: Published Financial Statements of Limited Companies
- Element 9: Group Financial Statements – an introduction
- Element 10: Consolidated Balance Sheet
- Element 11: Inter- Company Dealings
- Element 12: Consolidated Income Statements
- Element 13: Acquisition of Shares in Associated Companies

UNIT 12 – MANUFACTURING ACCOUNTS

- Element 1: The Need for Manufacturing Accounts
- Element 2: Costs included in the Manufacturing Accounts
- Element 3: Layout of Manufacturing Accounts
- Element 4: Trading Accounts for Manufacturing Companies
- Element 5: Profit & Loss Accounts for Manufacturing Companies
- Element 6: Balance Sheets for Manufacturing Companies
- Element 7: The Accounting System for Manufacturing Companies.

UNIT 13 – CASH FLOW STATEMENTS

- Element 1: Introduction
- Element 2: Profits and Cash flow
- Element 3: Purpose of Cash Flow Statements
- Element 4: The Cash Flow Statement Technique
- Element 5: Advantages & Disadvantages of Cash Flow Statements
- Element 6: IAS 7 - Standard Headings
- Element 7: Treatment of Capital Expenditure & Financial Investments

UNIT 14 – PARTNERSHIP ACCOUNTS

- Element 1: Introduction
- Element 2: Partnership Accounts
- Element 3: Goodwill for Sole Traders and Partnerships
- Element 4: Revaluation of Partnership Assets
- Element 5: Dissolution of Partnerships
- Element 6: Conversion of Partnerships into Limited Liability companies

UNIT 15 - INTERPRETATION OF FINANCIAL STATEMENTS

- Element 1: Introduction
- Element 2: Profitability Ratios
- Element 3: Liquidity Ratios
- Element 4: Efficiency Ratios
- Element 5: Capital Structure Ratios
- Element 6: Ratio Analysis of Sole Traders

PAPER C4 - DIRECT TAXES

This Paper introduces students to Income Tax, covering topics like the Role and purpose of taxation, taxation of unincorporated businesses, taxation of employment and investment income, company taxation, property transfer tax and the general administration of Direct Taxes.

Objectives

On completion of this paper, the student should be able to:

1. Explain the role and purpose of taxation in the economy;
2. Calculate capital allowances and taxable business profits for unincorporated businesses;
3. Compute emoluments from employment and explain the operation of the PAYE system,
4. Describe the various categories of investment income and calculate the tax payable on each one of them;
5. Calculate the taxable business profits of companies and income tax thereon; and
6. Explain the role of the ministry of finance and ZRA in tax administration

Structure of the examination paper

There shall be a three hour examination consisting of five (5) compulsory questions of twenty (20) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed syllabus

UNIT 1 - ROLE AND PURPOSE OF TAXATION

- Element 1: The Zambian system of Taxation
- Element 2: History of Taxation in Zambia
- Element 3: Qualities of a good tax system
- Element 4: Functions of taxation in the economy
- Element 5: The Concept of Income
- Element 6: Classification of taxes
- Element 7: Taxable and Exempt income and gains
- Element 8: Taxable and exempt persons
- Element 9: Residence, ordinary residence and domicile
- Element 10: Political and Social Dimensions on Taxation

UNIT 2 - INCOME TAX AND UNINCORPORATED BUSINESSES

- Element 1: Trades, Professions and Vocations
- Element 2: Computing taxable business profits for individual sole traders
- Element 3: Capital allowances
- Element 4: Computing taxable profits and allocations to individual partners
- Element 5: Accounting dates and Basis of Assessment
- Element 6: Computing income tax on business profits for sole traders and partners
- Element 7: Turnover tax
- Element 8: Presumptive Taxation
- Element 9: Taxation of SMEs under the Zambia Development Act

- Element 10: Unincorporated Mining Operations
Element 11: Unincorporated Farming Operations

UNIT 3 - INCOME TAX AND EMPLOYMENT INCOME

- Element 1: Emoluments, employment and office
Element 2: Employment compared with self-employment
Element 3: Taxable and exempt emoluments
Element 4: Operation of the Pay As You Earn system

UNIT 4 - INCOME TAX AND INVESTMENT INCOME

- Element 1: Types of investments for individuals and companies
Element 2: The withholding tax system
Element 3: Computing taxable income from letting of property
Element 4: Treatment of income from savings and financial investments

UNIT 5 - COMPANY INCOME TAXATION

- Element 1: Residence of a company for income tax purposes
Element 2: Computing business profit for companies
Element 3: Treatment of investment income for companies
Element 4: Computing company income tax payable
Element 5: Turnover tax
Element 6: Tax losses of companies

UNIT 6 - PROPERTY TRANSFER TAX

- Element 1: Meaning of transfer and realized value
Element 2: Transfers within groups of companies
Element 3: Transfers to members of the immediate family
Element 4: Computation of property transfer tax and its payment

UNIT 8 - ADMINISTRATION OF DIRECT TAXES

- Element 1: The Role of the Ministry of Finance and Zambia Revenue Authority
Element 2: Computation of Income Tax payable by Individuals
Element 3: Payment of income tax by individuals
Element 4: Payment of income tax by incorporated businesses
Element 5: Payment of withholding taxes, turnover tax, and Property Transfer Tax
Element 6: Objections and appeals procedure

Reading material

1. ZICA, (2010) Direct Taxes, ZICA Publications, Lusaka, Zambia
2. Mulenga Mohammed Hassan (2003), Taxation in Zambia, Lusaka, Zambia
3. Mulolani A. C. (2009), Taxation Principles and Practice, ZCAS, Lusaka, Zambia

PAPER C5 INDIRECT TAXES

This Paper introduces students to indirect taxation and covers aspects of Value Added Tax and Customs and Excise Duties and surtaxes.

Objectives

A candidate who has successfully completed the subject should be able to:

1. Discuss the history and growth of Value-added taxes globally and the rationale for their adoption by governments internationally;
2. Describe the 'invoice based, credit offset, value-added tax' model and the concept of 'neutrality' as that term is used in the VAT Act;
3. Discuss the activities and transactions that represent practical difficulties in the operation of the 'invoice based, credit offset, value-added tax' model and describe the structural design features that lead to these difficulties;
4. Give reasons why governments choose to exempt, zero-rate and treat as out of scope certain activities under a credit offset, invoice-based VAT; and
5. Discuss the various issues pertaining to Customs and Excise Duties.

Structure of the examination paper

There shall be a three hour examination consisting of five (5) compulsory questions of twenty (20) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed Syllabus

UNIT I - VALUE ADDED TAX

- Element 1: Meaning of Value Added tax
- Element 2: How the VAT system works & Legislation for VAT
- Element 3: Arguments for and against VAT
- Element 4: Meaning of Supply
- Element 5: Determination of Taxable supply
- Element 6: Meaning of Consideration
- Element 7: VAT Registration & Deregistration Rules
- Element 8: Output Tax
- Element 9: Input Tax
- Element 10: Link between VAT and direct taxes
- Element 11: Partial Exemption Methods
- Element 12: Imports and exports
- Element 13: Special Schemes
- Element 14: Special Retailer Methods
- Element 15: Chain Transactions – Minimum Taxable Values
- Element 16: Reverse Charge VAT
- Element 17: VAT Control and credibility checks
- Element 18: Principle of Estoppel in VAT Cases
- Element 19: Leasing Transactions & Repurchase Agreements
- Element 20: VAT on Printed & Other Matter
- Element 21: VAT Refund Scheme for Tourists
- Element 22: Bad Debt Relief

- Element 23: Self Supply
- Element 24: Transfer of Business as a Going Concern
- Element 25: Correction of Errors
- Element 26: Misdeclaration
- Element 27: Late Registration and unauthorized issue of VAT Invoices
- Element 28: VAT Penalties & Interest
- Element 29: Appeals & Requests for Review

UNIT 2 – SPECIFIC SECTOR VALUE ADDED TAX

- Element 1: VAT Considerations in the Mining Sector
- Element 2: VAT Considerations in the Agriculture Sector
- Element 3: VAT Considerations in the Tourism Sector
- Element 4: VAT Considerations in the Telecommunications Sector
- Element 5: VAT Considerations in the Banking & Financial Services Sector
- Element 6: VAT Considerations in the Construction Industry

UNIT 3 - CUSTOMS AND EXCISE DUTIES

- Element 1: Introduction to Customs & Excise Duties
- Element 2: Functions of the Customs and Excise Division
- Element 3: Powers of ZRA Officials
- Element 4: Official and Commercial Documents
- Element 5: Determination of value for Duty Purposes
- Element 6: Valuation
- Element 7: Clearance.
- Element 8: New Residents Rebates
- Element 9: The African Growth and Opportunity Act (AGOA)
- Element 10: International Trade Agreements
- Element 11: Preferential Trade Agreements
- Element 12: Exportation of Goods
- Element 13: Excise Duties
- Element 14: Bonded Warehouses
- Element 15: Currency Declaration
- Element 16: Surtax on Carbon Emissions
- Element 17: The COMESA Customs Union
- Element 18: Overlapping Membership of Regional Tax Groupings

UNIT 3 - EXPORT CONCESSIONS

- Element 1: Introduction
- Element 2: Duty Drawback System
- Element 3: Basis of Payment
- Element 4: Challenges of the duty drawback system
- Element 5: Calculation of Coefficients for Duty Draw Back
- Element 6: Zero Rating for Exports

PAPER C6 LAW FOR TAX PRACTITIONERS

This Paper introduces students to general principles of Law as it applies to the field of taxation. Students are introduced to topics like the general administration of law, law of contract, law of agency, banking and labour law.

Objective

On completion of this subject, the student should be able to:

1. Explain and articulate the general principles of law
2. Explain and apply the law of contract
3. Explain and apply Banking Law
4. Explain the law governing the sale of goods
5. Explain the law of Agency
6. Explain Partnership Law
7. Explain Company Law

Structure of the examination paper

There shall be a three hour examination consisting of five (5) compulsory questions of twenty (20) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed Syllabus

UNIT 1 - GENERAL PRINCIPLES OF LAW

- Element 1: Sources of Zambian Law
- Element 2: Elementary Principles of the divisions of legislative powers between the three tiers of government, with complimentary provisions in Constitution of the Republic of Zambia.
- Element 3: Equity and Common Law
- Element 4: Statute law
- Element 5: The process of legislation and interpretation of statutes
- Element 6: The doctrine of precedent

UNIT 2 - THE ADMINISTRATION OF LAW

- Element 1: The organization and function of the various courts
- Element 2: The judges and various officers concerned with the administration of law in Zambia. Distinction between civil and criminal liability
- Element 3: The basis and extent of liability in Tort – Remedies, Legal, and Equitable, for Tort.
- Element 4: Differences between real and personal property
- Element 5: Various interests in property
- Element 6: Legal persons, corporate personality
- Element 7: The doctrine of Ultra Vires

UNIT 3 - LAW OF CONTRACT

- Element 1: Nature of Contract
- Element 2: Essentials of a valid contract
- Element 3: Consideration
- Element 4: Privity of contract

- Element 6: Capacity for contract
- Element 7: Effects of mistakes, misrepresentation and illegal contracts.
- Element 8: Remedies for contracts

UNIT 4 - LAW OF AGENCY

- Element 1: Creation of Agency
- Element 2: Effects of the acts of the agent
- Element 3: Duties of principal agent and vice versa and as they affect the third party interest.
- Element 4: Forms of agency
- Element 5: Termination of contract
- Element 6: Breach of Agency

UNIT 5 - SALE OF GOODS

- Element 1: Remedies and obligations of buyers and sellers
- Element 2: Valid transfer of property by owner and non-owner
- Element 3: Duties and liabilities of carriers
- Element 4: Remedies and obligations of carriers
- Element 5: Stoppage in transit

UNIT 6 - HIRE PURCHASE, CREDIT SALES AND LEASING

- Element 1: Nature of Hire Purchase contracts
- Element 2: Distinction between Hire Purchase and Instalment Purchases
- Element 3: Rights and obligations of Hire Purchases sellers and buyer
- Element 4: Right of Possession.
- Element 5: Issues of credit sales
- Element 6: Various aspects of leasing and the enabling law.

UNIT 7 - BANKING LAW

- Element 1: Types of negotiable instruments
- Element 2: Requirements of negotiability
- Element 3: Ambiguity rule
- Element 4: Negotiation
- Element 5: Types of endorsement
- Element 6: Real and personal defences of makers against holders in due course
- Element 7: Liabilities of parties and warranties
- Element 8: Dishonour and Protest
- Element 9: Discharge
- Element 10: Certificate Cheques
- Element 11: Bill of Exchanges
- Element 12: Promissory notes

- Element 13: Surety ship and Guarantee
- Element 14: Defences of a surety
- Element 15: Right and remedies available to surety

UNIT 8 - COMPANY LAW

- Element 1: Nature and types of companies
- Element 2: Formation of companies in Zambia
- Element 3: Memorandum and articles of Association Prospectus
- Element 4: Capital – shares and debentures
- Element 5: Members' meetings and resolutions
- Element 6: Directors, secretary, auditors, statutory books, profits available for distribution, holding and subsidiary companies
- Element 7: Powers and duties of liquidators
- Element 8: Secretarial practice

UNIT 9 - PARTNERSHIP LAW

- Element 1: Nature and types of Partnership
- Element 2: The Limited Partnership
- Element 3: The Partnership Deed
- Element 4: Partnership amongst partners
- Element 5: Inter-relationships between partners and third parties
- Element 6: Dissolution of partnership
- Element 7: Joint ventures
- Element 8: Drawing distinction with general partnership

UNIT 10 - BANKRUPTCY LAW

- Element 1: Issue of receivership - composition and schemes of arrangement Adjudication and discharge
- Element 2: Appointment and powers of official receiver and trustees
- Element 3: Determination of property
- Element 4: Priority of eventual distribution
- Element 5: Proof of debt
- Element 6: Statements of affairs and deficiency account.

UNIT 11 - INSURANCE LAW

- Element 1: Elementary principles of insurance – insurable interest, utmost good faith, indemnity, misrepresentation, conditions and warranties
- Element 2: Subrogation and contribution
- Element 3: Assignment of policies
- Element 4: Government control of insurance business.
- Element 5: General Insurance Law

- Element 6: Life Assurance Law
Element 7: International Insurance Companies

UNIT 12 LABOUR LAW

- Element 1: General principles of labour law
Element 2: Workmen Compensation Act
Element 3: Trade Union Act., National Industrial Court
Element 4: Formation of contract for labour, express and implied terms, determination of employment, remedies for unlawful dismissal, termination.

4.2 Diploma in Taxation

Course Structure

- D1 Business Information Management
- D2 Financial Management
- D3 Business Taxation
- D4 Personal Taxation
- D5 International Taxation
- D6 Tax Audit And Investigations

A ZICA Diploma in Taxation is acquired upon successful completion of the course

PAPER D1 BUSINESS INFORMATION MANAGEMENT

This Paper introduces students to the wider concepts of business information management, knowledge management systems, e-commerce, designing information systems and evaluating information systems.

Objectives

On completion of this paper, the student should be able to:

1. Identify the information requirements of different levels of management and explain how information is used to support the objectives of an organisation,
2. Identify and apply methods of organizing and accounting for information systems delivery and information systems projects,
3. Explain the approaches for specification of user and system requirements,
4. Identify and explain the impact of the development of information systems on the organisation and its environment,
5. Explain how information systems are implemented and the approaches to monitoring and evaluation.

Structure of the examination paper

There shall be a three hour examination consisting of four (4) compulsory questions of twenty-five (25) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed syllabus

UNIT I - ORGANISATIONAL INFORMATION

- Element 1: Business Strategy and IS/IT
Element 2: IS and the strategic Planning process
Element 3: IS and competitive position

- Element 4: Levels of Management and their information requirements
- Element 5: The organisation and information management
- Element 6: Types of information system - (strategic information systems, management information systems, transaction processing systems, decision support systems, knowledge work systems and office automation systems)

UNIT 2 - MANAGING INFORMATION SYSTEMS

- Element 1: Organizational and accounting issues in delivering information systems
- Element 2: Structural issues in delivering information systems
- Element 3: Feasibility study
- Element 4: Project initiation and planning
- Element 5: Project monitoring and control
- Element 6: Software support for project management

UNIT 3 - DESIGNING INFORMATION SYSTEMS

- Element 1: IS development process
- Element 2: Investigating and recording user requirements
- Element 3: Documenting and modeling user requirements
- Element 4: Developing a solution to fulfill user requirements
- Element 5: External design and software package selection

UNIT 4 - KNOWLEDGE MANAGEMENT AND INFORMATION SYSTEMS

- Element 1: Knowledge distribution through office automation systems
- Element 2: Knowledge sharing through group collaboration systems
- Element 3: Knowledge creation and knowledge work systems
- Element 4: Knowledge capturing and codifying and artificial intelligence
- Element 5: Database management systems
- Element 6: Data mining and data warehousing

UNIT 5 - IMPACT OF IT ON WORK PRACTICES

- Element 1: Design of critical success factors
- Element 2: Identifying sources of data capture
- Element 3: Measuring performance
- Element 4: Effect on employee/employer relationships

UNIT 6 - ELECTRONIC COMMERCE

- Element 1: Business impact of the internet – the virtual company
- Element 2: Intranets and extranets
- Element 3: The internet as a system
- Element 4: Integration of the internet with existing systems
- Element 5: The Impact of E-Commerce on Taxation

UNIT 7 - EVALUATING INFORMATION SYSTEMS

- Element 1: Technical information system requirements
- Element 2: Implementing security and legal requirements
- Element 3: Quality assurance in systems management and development
- Element 4: Systems and user acceptance testing
- Element 5: System implementation issues and methods
- Element 6: Post implementation matters
- Element 7: Information systems maintenance and change

Reading material

1. ZICA, (2010) Business Information Management, ZICA Publications, Lusaka, Zambia
2. Skidmore S, Introducing systems analysis, 2nd edition, Macmillan
3. Skidmore S, Introducing systems design, 2nd edition, Macmillan
4. Laudon, K and Laudon J, Management Information Systems, 6th edition, Prentice Hall

PAPER D2 FINANCIAL MANAGEMENT

This Paper introduces students to the framework of financial management, Financial planning and analysis, Sources of finance, Cost of capital, Capital investment appraisal, Valuation principles and group accounts, Working capital management and Public Finance.

Objectives

On completion of this paper, the student should be able to:

1. Explain the nature, role and purpose of the financial management function,
2. Analyse financial statements using accounting ratios and carry out assessments to predict corporate failure,
3. Identify and evaluate alternative sources of business finance,
4. Explain and calculate the cost of capital and the factors which affect it,
5. Carry out effective investment appraisal,
6. Discuss and apply principles of business and asset valuations and prepare consolidated financial statements for simple groups,
7. Discuss, recommend and apply working capital management techniques,
8. Discuss and apply the principles of public finance in tax practice.

Structure of the examination paper

There shall be a three hour examination consisting of four (4) compulsory questions of twenty-five (25) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed syllabus

UNIT I - FRAMEWORK OF FINANCIAL MANAGEMENT

- Element 1: The nature and purpose of financial management
- Element 2: Financial objectives and relationship with corporate strategy
- Element 3: Stakeholders and impact on corporate objectives
- Element 4: Financial and other objectives in not-for-profit organisations
- Element 5: Financial markets and the Efficient Market Hypothesis (EMH)

UNIT 2 - FINANCIAL PLANNING AND ANALYSIS

- Element 1: Analysis of financial performance using accounting ratios
- Element 2: Forecasting financial statements
- Element 3: Predicting corporate failure

UNIT 3 - SOURCES OF FINANCE

- Element 1: Sources of, and raising short-term finance
- Element 2: Sources of, and raising long-term finance
- Element 3: Internal sources of finance and dividend policy
- Element 4: Finance for Small and Medium-size Entities

UNIT 4 - COST OF CAPITAL

- Element 1: Relative costs of various sources of finance
- Element 2: Estimating the cost of equity
- Element 3: Estimating the cost of debt and other capital instruments
- Element 4: Estimating the weighted cost of capital
- Element 5: Capital structure theories and practical considerations
- Element 6: Impact of cost of capital on investments

UNIT 5 - CAPITAL INVESTMENT APPRAISAL

- Element 1: The nature of investment decisions and the appraisal process
- Element 2: Non-discounted cash flow techniques
- Element 3: Discounted cash flow (DCF) techniques
- Element 4: Allowing for inflation and taxation in DCF
- Element 5: Capital Replacement decisions

UNIT 6 - VALUATION PRINCIPLES AND GROUP ACCOUNTS

- Element 1: Nature and purpose of the valuation of business and financial assets
- Element 2: Models for the valuation of shares
- Element 3: The valuation of debt and other financial assets
- Element 4: Principles of groups of companies
- Element 5: Preparation of consolidated financial statements including an associate
- Element 6: Dealing with intra group transactions

UNIT 7 - WORKING CAPITAL MANAGEMENT

- Element 1: The nature, elements and importance of working capital
- Element 2: Management of inventories, accounts receivable, accounts payable and cash
- Element 3: Determining working capital needs and funding strategies

Reading material

1. ZICA, Financial Management, 1st edition, Lusaka
2. ZICA, Corporate Financial Management, 1st edition, Lusaka

This Paper builds on the knowledge gained in Paper D 4 – Direct Taxes. It covers topics such as Sole trader income tax, Partnerships, Taxation of Mining Operations, Taxation of Farming enterprises, Taxation of Insurance & Financial Services, Tax Aspects of Corporate Social Responsibility, Taxation of Consolidated Groups, Corporate Mergers, Acquisitions & Disposals, Taxation of Financial Arrangements and the tax treatment of Liquidations and Insolvency.

Objectives

On completion of this paper, the student should be able to:

1. Discuss the characteristics of various business organisations from a tax point of view,
2. Calculate Income tax payable by sole traders on their business profits,
3. Calculate income tax payable by partners on their share of business profits,
4. Calculate income tax payable by incorporated businesses on their trading income,
5. Explain the characteristics of mining operations and calculate income tax payable on mining income,
6. Explain the characteristics of farming and fishing enterprises and calculate income tax thereon,
7. Apply the principles of income tax to insurance and financial services sectors,
8. Apply the VAT principles to various business transactions,
9. Apply the principles of Customs and Excise Duties to various business transactions,
10. Discuss the role of the employer as regards employees' tax affairs.

Structure of the examination paper

There shall be a three hour examination consisting of four (4) compulsory questions of twenty-five (25) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed syllabus

UNIT 1 - BUSINESS ORGANISATIONS

- Element 1: Characteristics of sole proprietorships
- Element 2: Characteristics of partnerships
- Element 3: Characteristics of incorporated businesses
- Element 4: Distinguishing features of various business organisations

UNIT 2 - SOLE TRADERS' BUSINESSES AND INCOME TAX

- Element 1: Computing business profits, including capital allowances
- Element 2: Accounting dates and basis of assessment
- Element 3: Trading losses
- Element 4: Computing and paying income tax on business profits

UNIT 3 - PARTNERSHIPS AND INCOME TAX

- Element 1: Computing taxable business profits of partnerships
- Element 2: Capital allowances for partnerships
- Element 3: Allocation of partnership profits between partners
- Element 4: Changes in partnership agreement
- Element 5: Payment of income tax by partners

UNIT 4 - INCORPORATED BUSINESSES AND INCOME TAX

- Element 1: Residence of companies
- Element 2: Computing taxable income of companies
- Element 3: Payment of income tax by companies

UNIT 5 - MINING OPERATIONS

- Element 1: The characteristics of Mining Operations
- Element 2: Treatment of Revenue and Capital Expenditure
- Element 3: Mining Tax losses
- Element 4: Tax incentives for mining operations
- Element 5: Capital Allowances for Mining Companies
- Element 6: Indexation of Mining Losses and Capital Allowances
- Element 7: Maintenance of Books in Foreign Currency
- Element 8: Thin Capitalization
- Element 9: Environmental Expenditure
- Element 10: Tax Treatment of Hedging Income
- Element 11: Income Tax Computations for Mining Operations
- Element 12: Mineral Royalty Tax
- Element 13: Variable Profit Tax

UNIT 6 - FARMING ENTERPRISES AND INCOME TAX

- Element 1: Characteristics of farming and fishing enterprises
- Element 2: Computing farming profits for companies
- Element 3: Capital allowances for farming enterprises
- Element 4: Averaging of farming and fishing income

UNIT 7 - INSURANCE AND FINANCIAL SERVICES

- Element 1: Computing taxable income for insurance companies
- Element 2: Computing taxable income for Banks
- Element 3: Computing income tax payable by insurance companies
- Element 4: Computing income tax payable by Banks

UNIT 8 - VALUE ADDED TAX

- Element 1: Registration and deregistration to include groups and branches
- Element 2: Further aspects of the tax point on specialized transactions
- Element 3: VAT application to farming and mining enterprises
- Element 4: VAT on insurance and financial services products
- Element 5: VAT on imports and exports
- Element 6: Reverse Charge VAT
- Element 7: Pre- registration input VAT
- Element 8: Sale of business compared with sale of individual assets

UNIT 9 - CUSTOMS AND EXCISE

- Element 1: Importation of business assets
- Element 2: Exports and their tax treatment
- Element 3: Rules of origin and tax implications
- Element 4: Trade agreements and their benefits to the economy of Zambia

UNIT 10 - CONSOLIDATED GROUPS

- Element 1: Income Tax Assessment of Consolidated Groups
- Element 2: Treatment of Entry and Exits from a Group
- Element 3: Treatment of Group Losses
- Element 4: Property Transfer Tax for Groups of Companies

UNIT 11 - CORPORATE SOCIAL RESPONSIBILITIES

- Element 1: The Meaning of Corporate Social Responsibility
- Element 2: Donations to Government Institutions
- Element 3: Donations to Charitable Organisations
- Element 4: Donations to Political Parties & Similar Ventures

UNIT 12 - TAKEOVERS, MERGERS, ACQUISITIONS & DISPOSALS

- Element 1: Legal rules applicable in the taxation of corporate mergers and acquisitions, particularly as they apply to consolidated groups;
- Element 2: Legal and tax structures used for corporate mergers and acquisitions in practice; and
- Element 3: Modifications for restructures, group takeovers and acquisitions, including the treatment of losses in mergers and acquisitions and Liability issues and tax sharing agreements;
- Element 4: Demergers and Deemed Dividends

UNIT 13 - FINANCIAL ARRANGEMENTS

- Element 1: General tax policy and financial principles relevant to the income tax treatment of financial instruments;
- Element 2: Zambian tax law applicable to financial instruments including debt/equity rules and finance leases;
- Element 3: Debt-financing techniques, particularly the treatment of interest surrogates and hybrid debt instruments;
- Element 4: Equity-financing techniques and the classification of instruments as debt or equity;
- Element 5: Income tax treatment of hedging transactions and synthetic instruments;
- Element 6: Income tax issues raised by the cross-border use of financial instruments; and
- Element 7: Finance leasing and infrastructure finance.

UNIT 14 - CORPORATE INSOLVENCY & RECONSTRUCTION

- Element 1: The aims of insolvency law, historical background, basic concepts and definitions
- Element 2: Assets available for distribution: The ranking of claims, proprietary and non-proprietary claims and their significance, equitable interests, retention of title, set-offs and other forms of quasi-security
- Element 3: Groups of companies and the liability of officers: Pooling, directors' duties and liability for insolvent trading
- Element 4: Liquidation: Winding up in insolvency
- Element 5: Avoidance of antecedent transactions
- Element 6: Corporate rescue: Voluntary administration and deeds of company arrangement
- Element 7: Receivers and agents: Appointment, duties and liabilities of receivers and liquidators
- Element 8: Employee entitlements
- Element 9: Reconstruction Schemes
- Element 10: Directions to liquidators, receivers, administrators and deed administrators
- Element 11: Liquidation Dividends

Reading material

- 1. ZICA, Business Taxation, 2010 edition, Lusaka

PAPER D4 PERSONAL TAXATION

This Paper focuses on personal income taxation, including aspects such as determination of tax residence for individuals, taxation of income from employment, taxation of income from sporting activities, Tax planning for individuals, taxation of Income from Intellectual Property and presumptive taxation.

Objective

On completion of this subject, the student should be able to:

- 1. Make Personal Income Tax Computations
- 2. Explain the criteria used in Zambia to determine tax residence for individuals
- 3. Distinguish between Employment and Self Employment
- 4. Carry out tax planning for individuals

Structure of the examination paper

There shall be a three hour examination consisting of four (4) compulsory questions of twenty-five (25) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed syllabus

UNIT 1 - SCOPE OF INDIVIDUALS' TAXATION

- Element 1: Introduction to personal taxation
- Element 2: Persons Liable to Taxation
- Element 3: The Meaning of Income
- Element 4: Basis of Assessment for Individuals

- Element 5: Opening Years
- Element 6: Closing Years
- Element 7: Emoluments from Employment
- Element 8: Income from Savings
- Element 9: Income from Business
- Element 10: Income from Property

UNIT 2 - DETERMINATION OF INDIVIDUAL'S TAX RESIDENCE

- Element 1: Introduction
- Element 2: Ordinary Residence
- Element 3: Tax Residence
- Element 4: The non- applicability of Domicile Rules in Zambia

UNIT 3 - EMPLOYED OR SELF EMPLOYED?

- Element 1: Control
- Element 2: Personal service
- Element 3: Equipment
- Element 4: Financial risk
- Element 5: Basis of payment
- Element 6: Mutuality of obligation
- Element 7: Holiday pay, sick pay and pension rights
- Element 8: Part and parcel of the organisation
- Element 9: Right to terminate a contract
- Element 10: Opportunity to profit from sound management
- Element 11: Personal factors
- Element 12: Length of engagement
- Element 13: Intention of the parties.

UNIT 4 - TAXATION OF INCOME FROM EMPLOYMENT

- Element 1: Meaning of Employment
- Element 2: Taxable Income of an Employee
- Element 3: Income Deemed to be from a Source within Zambia
- Element 4: Tax Treatment of Offshore Payments
- Element 5: The Pay As You Earn Scheme
- Element 6: Employee Pension Schemes
- Element 7: Contributions to Foreign Based Pension Schemes
- Element 8: Taxation of Expatriate Employees
- Element 9: Zambian Employees Seconded to work abroad
- Element 10: Double Taxation Treaties
- Element 11: Taxation of Gratuity

Notes

- Element 12: Taxation of staff drinkages, Meals and Entertainment
- Element 13: Treatment of Deferred Bonus Schemes
- Element 14: Employee cost recharge schemes
- Element 15: Provisions for Redundancy costs
- Element 16: Taxation of Directors' Fees
- Element 17: Payment on termination to connected persons
- Element 18: Cost of Removing an Unsatisfactory Employee
- Element 19: Non – Competition Clauses
- Element 20: Workers supplied by Agencies
- Element 21: Wages in lieu of Notice

UNIT 5 - TAXATION OF BENEFITS IN KIND

- Element 1: Beneficial Loans
- Element 2: Passages and Leave Pay
- Element 3: School Fees and other cash payments
- Element 4: Free Accommodation
- Element 5: Company Motor Vehicles
- Element 6: Children's School Fees
- Element 7: Servant Allowances
- Element 8: Club Subscriptions
- Element 9: Payment of Employee Utility Bills by the Company
- Element 10: ESOP Schemes
- Element 11: Golden hand Shakes

UNIT 6 - TAXATION OF INDIVIDUALS' RENTAL INCOME

- Element 1: What is Rental Income?
- Element 2: How is Rental income taxed in the hands of an individual?
- Element 3: Deductibility of Expenses
- Element 4: Responsibility for Deducting Withholding Tax
- Element 5: Provisional Income Tax Return for Letting Income
- Element 6: Value Added Tax Considerations

UNIT 7 - PRESUMPTIVE TAXATION FOR INDIVIDUALS

- Element 1: Meaning of Presumptive Taxation
- Element 2: Income Subject to Presumptive Taxation
- Element 3: Income Thresholds
- Element 4: Commercial Imports & the Advance Income Tax

UNIT 8 - PERSONAL INCOME TAX COMPUTATIONS

- Element 1: Introduction
- Element 2: Format of Personal Income Tax Computation
- Element 3: Separate Taxation for husbands and Wives
- Element 4: Amalgamation of Income from Different Sources
- Element 5: Adjustments for Capital Allowances
- Element 6: Adjustments for Double Taxation Relief

UNIT 9 - TAX PLANNING FOR INDIVIDUALS

- Element 1: Introduction
- Element 2: Tax Avoidance & Tax Planning
- Element 3: Opening years of a new business
- Element 4: Selection of Cessation Date
- Element 5: Loss Relief
- Element 6: Maximising Capital Allowances
- Element 7: Personal Pension Schemes
- Element 8: Investment Schemes
- Element 9: Salaries versus Dividends
- Element 10: Foreign versus domestic income

UNIT 10 - INCOME TAX ASPECTS OF INCOME FROM SPORT ACTIVITIES

- Element 1: Meaning of Sporting activities
- Element 2: Amateur versus professional Sporting Activities
- Element 3: Income tax aspects of other income related to sports activities including, Publicity on clothing, use of products, sponsorships, subsidies and grants, inducement payments, Athlete's image rights and Merchandising.
- Element 4: Income tax aspects of sports clubs and associations
- Element 5: Taxation of sports events
- Element 6: Foreign income derived by resident Sportsmen
- Element 7: Taxation of Footballers and other athletes' transfer fees

UNIT II - TAXATION OF INTELLECTUAL PROPERTY

- Element 1: An overview of the structures and operation of the law that protects key intellectual property assets such as copyright, patents, designs, trade - marks, confidential information, trade secrets, know - how and goodwill.
- Element 2: Taxation of the acquisition, development, use and disposal of these intellectual property assets under the Income Tax Act including:
- Depreciation rules for intellectual property;
 - Research and development concessions;
 - International tax issues for intellectual property including royalty withholding tax and transfer pricing;
 - Business structures for commercialization of intellectual property and the tax impact on such structures; and
 - Employee equity and commercialization of intellectual property.

PAPER D5 INTERNATIONAL TAXATION

This Paper introduces students to International Taxation, taking a closer look at issues such as the Global economic environment, History of international tax law, Double taxation conventions – DTC, Treatment of Income of non – residents, Treatment of Foreign income of residents, Transfer pricing and thin capitalization, International tax avoidance and

Indirect taxes in international taxation.

Objectives

On completion of this paper, the student should be able to:

1. Explain the features of the global economic environment,
2. Discuss the source of international law and implications for Zambia,
3. Discuss the sources of double taxation and the reasons for double taxation conventions,
4. Calculate income tax for both residents and non- residents on worldwide income,
5. Discuss transfer pricing and thin capitalization rules,
6. Discuss the impact of international tax avoidance legislation for taxable person,
7. Apply indirect taxes to international transactions, including the role of the OECD and WTO.

Structure of the examination paper

There shall be a three hour examination consisting of four (4) compulsory questions of twenty-five (25) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed syllabus**UNIT I - GLOBAL ECONOMIC ENVIRONMENT**

- Element 1: Theories of international trade and objectives
- Element 2: Counter trade
- Element 3: Foreign Direct Investment
- Element 4: Multinational companies and trade agreements
- Element 5: Regional economic groupings
- Element 6: Globalization and its effects on the Zambian Economy

UNIT 2 - HISTORY OF INTERNATIONAL TAX LAW

- Element 1: Work under the League of Nations
- Element 2: Work of the OECD
- Element 3: Work of the UN group of experts
- Element 4: Work of the EU

UNIT 3 - DOUBLE TAXATION CONVENTIONS - DTC

- Element 1: Sources of Double Taxation (Residents & citizens)
- Element 2: Role of double taxation treaties
- Element 3: Methods of giving double taxation relief
- Element 4: Unrelieved overseas Tax
- Element 5: The OECD model

UNIT 4 - TREATMENT OF INCOME OF NON – RESIDENTS

- Element 1: Domestic employment income of non-residents
- Element 2: Domestic Business profits of non-residents
- Element 3: Domestic Investment income of non-residents
- Element 4: Taxation of foreign income of non-residents

UNIT 5 - TREATMENT OF FOREIGN INCOME OF RESIDENTS

- Element 1: Resident individuals receiving overseas employment income
- Element 2: Resident individuals with overseas businesses and investments
- Element 3: Calculation of income tax for residents with worldwide income

UNIT 6 - TRANSFER PRICING AND THIN CAPITALISATION

- Element 1: Determination of profits of branches and associated enterprises
- Element 2: Consideration of examples of domestic transfer pricing legislation
- Element 3: Transfer pricing and Double Taxation Conventions (Art. 9 OECD MTC)
- Element 4: The OECD Transfer Pricing Guidelines
- Element 6: Consideration of examples of thin capitalisation legislation
- Element 7: Thin capitalization legislation and Double Taxation Conventions

UNIT 7 - INTERNATIONAL TAX AVOIDANCE

- Element 1: Identification of tax havens
- Element 2: Domestic law approaches to international tax avoidance
- Element 3: Money-laundering legislation and international tax avoidance
- Element 4: Application of money-laundering legislation to foreign fiscal offences
- Element 5: Co-operation between revenue authorities
- Element 6: Conventions for administrative assistance in tax administration

UNIT 8 - INDIRECT TAXES IN INTERNATIONAL TAXATION

- Element 1: The origin and destination bases for indirect taxes
- Element 2: GATT rules and the limitation on border tax adjustment
- Element 3: WTO rules and taxes – the WTO dispute resolution regime and taxation
- Element 4: Cross-border mergers
- Element 5: The OECD Model Double Taxation Convention on Estates and Inheritances
- Element 6: Taxation and international human rights instruments
- Element 7: The European/international Convention on Human Rights and taxation
- Element 8: The International Covenant on Civil and Political Rights and taxation
- Element 9: Tax Treatment of Foreign Missions

PAPER D6 TAX AUDIT AND INVESTIGATIONS

This Paper introduces students the wider concepts of auditing and investigations with the sole purpose of detecting under declarations of Income or over statements of expenditure. The Paper also covers issues of fraud detection and the examination of financial records in arriving at assessed tax.

Objectives

On completion of this paper, the student should be able to:

1. Undertake a detailed examination of financial statements and come up with a tax assessment;
2. Undertake a detailed Tax Audit;
3. Undertake a detailed Tax Investigation;
4. Respond to either Audit or Investigation queries from the Zambia Revenue Authority.

Structure of the examination paper

There shall be a three hour examination consisting of four (4) compulsory questions of twenty-five (25) marks each. Candidates will be allowed fifteen minutes' reading and planning time.

Detailed Syllabus

UNIT 1 - THE FRAMEWORK OF AUDITING IN GENERAL

- Element 1: Nature, Purpose and Scope of Tax Audits
- Element 2: Auditing Theory
- Element 3: Audit Evaluation & Planning
- Element 4: Evidence Collection and Analysis
- Element 5: Performance of the Audit
- Element 6: Audit Reporting Framework

UNIT 2 - TAX AUDITS

- Element 1: Introduction to Tax Audits
- Element 2: Elements of a Qualitative Tax Audit
- Element 3: Audit Process Flow Chart
- Element 4: Place of Examination

- Element 5: Taxpayer Involvement in Business Affairs
- Element 6: Taxpayer and Spouse
- Element 7: Third party Contacts
- Element 8: No Records or Inadequate Records
- Element 9: Basis of Accounting
- Element 10: Gross Receipts or Turnover
- Element 11: Use of Ratio Analysis
- Element 12: Business Expenses

UNIT 3 - THE ROLE OF THE TAXPAYER AUDIT PROGRAM

- Element 1: The Roles of the taxpayer audit program
- Element 2: Types of Audit
- Element 3: The Audit Context – administrative assessment versus self-assessment

UNIT 4 - LEGAL FRAMEWORK

- Element 1: Why have a Legal Framework?
- Element 2: Taxpayer's Record Keeping Obligations
- Element 3: Giving Inspectors Access to Books and Records
- Element 4: Giving Inspectors Access to Third Party Information
- Element 5: Sanctions for Non Compliance

UNIT 5 - ORGANISATION & MANAGEMENT OF THE TAXPAYER AUDIT FUNCTION

- Element 1: Organisation of Tax Audit Operations
- Element 2: Resources for the Tax Audit Function
- Element 3: Strategic management and the audit function
- Element 4: Operational Management
- Element 5: Performance Objectives and Measurement
- Element 6: Evaluation of Audit Activities

UNIT 6 - AUDIT TECHNIQUES

- Element 1: Key Principles
- Element 2: Audit Support Tools
- Element 3: Audit Planning
- Element 4: Pre- Contact Analysis & Case Selection Methods
- Element 5: Examination Techniques
- Element 6: Use of Indirect Methods to Verify Income
- Element 7: Working Papers
- Element 8: Finalizing the Audit

UNIT 7 - EXAMINATION OF FINANCIAL STATEMENTS

- Element 1: Preliminary Review of Financial Statements
- Element 2: Objectives of Accounts Examination
- Element 3: Compliance Risk Management Process
- Element 4: The Balance Sheet
- Element 5: The Income Statement
- Element 6: Review of Tax Computations
- Element 7: Drawings
- Element 8: Stocks
- Element 9: Bad Debts
- Element 10: Depreciation
- Element 11: Advertising Expenditure
- Element 12: Legal and Professional Fees
- Element 13: Salaries & Wages
- Element 14: Travel & Entertainment
- Element 15: Examination Techniques

UNIT 8 - TAX INVESTIGATIONS

- Element 1: What is a Tax Investigation?
- Element 2: Reasons for a Tax Investigation
- Element 3: Choosing the Investigation Approach
- Element 4: Risk Based Approach
- Element 5: Systems Based Approach
- Element 6: Accounts Examination
- Element 7: Risk Assessment
- Element 8: Taxpayers with Complete Records
- Element 9: Taxpayers with Incomplete Records
- Element 10: Uncovering Hidden Income
- Element 11: Perpetual Tax Loss Positions and Loss Harvesting

UNIT 9 - AUDITING FAMILY BUSINESSES

- Element 1: Introduction to Family Businesses
- Element 2: Sole Trader
- Element 3: Company
- Element 4: Incorporation
- Element 5: Transferring the Business to a Limited Company
- Element 6: Loans to Effective Shareholders
- Element 7: Loans from Shareholders
- Element 8: Associated Trading Activities
- Element 9: Methods of Profit Extraction from the Family Business
- Element 10: Withdrawing Investment from the Family Business

UNIT 10 - BUSINESS FINANCE

- Element 1: Financing a company – Long term finance
- Element 2: Financing a Sole trader or partnership
- Element 3: Short Term Finance
- Element 4: Financing Fixed Assets
- Element 5: Deferring or reducing the tax liability of a business

UNIT 11 - TRANSFER PRICING AUDIT

- Element 1: Enterprises which have significant amount of or various types of related party transactions
- Element 2: Enterprises which have been in long-term consecutive losses, low profitability, or fluctuating profit-and-loss situations
- Element 3: Enterprises whose profit levels are lower than those in the same industry
- Element 4: Enterprises showing an obvious mismatch between their profit levels and their functional and risk profile
- Element 5: Enterprises which have business dealings with related parties in tax havens
- Element 6: Enterprises which have not complied with the reporting of their related party transactions or preparation of contemporaneous documentation
- Element 7: Enterprises obviously violating the arm's length principle

UNIT 12 - AUDIT ISSUES IN THE MINING SECTOR

- Element 1: Introduction
- Element 2: The Classification of Capital expenditure
- Element 3: Loan Relationships with Shareholders
- Element 4: Losses from Non-Producing Mines
- Element 5: Separate Profit Statements for each Mine
- Element 6: Separate Reporting for Capital Expenditure for each Mine
- Element 7: Sale of Base Metals & Precious Stones to related parties at Reference Price
- Element 8: Gradual Reduction of Qualifying Capital Expenditure
- Element 9: Clauses from Development Agreements

UNIT 13 - AUDIT ISSUES IN THE BANKING SECTOR

- Element 1: Introduction
- Element 2: Separate Source Income
- Element 3: Realisation Basis for Income Recognition
- Element 4: Leasing Income
- Element 5: Derivatives
- Element 6: Accrued Discounts on Government Bonds
- Element 7: Special Deposit Reserve Accounts
- Element 8: Credit Card Income
- Element 9: Converted Exchange Differences
- Element 10: Foreign Exchange Earnings

Element 11:	Fee Income
Element 12:	Bad Debts and Portfolio Provisions
Element 13:	Non Performing Loans
Element 14:	Third Party Guarantees
Element 15:	Interest Suspense Accounts

UNIT 14 - AUDIT ISSUES IN THE TELECOMMUNICATIONS SECTOR

Element 1:	Introduction
Element 2:	Inter – Connection Charges and their impact on VAT Liability
Element 3:	Tax treatment of Discounts to Air Time Dealers
Element 4:	Tax treatment of Discounts to Subscribers
Element 5:	Tax Treatment of Network Switch Expenditure
Element 6:	Tax Treatment of Roaming Charges & Income

5.0 Rules and Regulations

5.1 Certification

Upon successful completion and passing all of each level, ZICA shall award certificates to successful students. The Institute shall have the liberty to withdraw the award of a certificate if it has proved that it was done erroneously. There shall be no appeal against the withdrawal

5.2 Exemptions

The Zambia Institute of Chartered Accountants subscribes to the principle of recognition of prior learning.

Students seeking exemptions must apply for them by completing the relevant section in the student registration form.

All applications must be accompanied by certified copies of certificates and results transcript (academic record) issued by the relevant examining body. In addition, detailed syllabi for the subjects which form the basis for the application must also be submitted.

Official translations should be provided where any of the documents referred to above is not in English.

The exemptions committee shall consider and grant exemptions to ZICA programme subjects on merit using the following criteria:

- (i.) There is at least 75% content overlap between the subject for which the recognition is being applied for and the one(s) which is/(are) the basis for the application.
- (ii.) The examining body that issued the qualification is recognised by the authorities in the country of origin.
- (iii.) The pass mark is at least 50% and has not been condoned.
- (iv.) Test and assignments do not exceed 40% of the final grade awarded.

The decisions of the exemption committee shall be final and no appeal shall be allowed.

No exemptions shall be considered if an application is based on non-certified learning.

Exemption fees are payable equivalent to the ruling examinations fees for the subjects that have been applied for. Fees are payable on application.

It is recommended that where candidates study plan is dependent on the exemptions to be awarded, applications should be submitted early enough to allow for adequate time for processing. In those cases, candidates are advised to wait for response before entering for

any examinations.

5.3 Deferments

Students who wish to defer any examination shall make an application in writing. Applications for deferment of examinations shall only be allowed on three conditions:

- **Illness** – applications for deferment are only authorised where illness is supported by a certificate issued by a registered medical practitioner.
- **Loss of an immediate family member** – applications are only authorised if the person who died is a spouse, child, biological parent or direct guardian of the candidate. The application must be supported by the death certificate and burial permit for the family member who has died.
- **Legal grounds** – applications for deferment are allowed for persons who are required to attend court sessions or give evidence in court of law at the same time as they are expected to sit an examination.

5.4 Remarking

Under no circumstances shall remarking of the examination answer script(s) be permitted. Script verification will however be done at the discretion of the institute upon receipt of the complaint.

Candidates applying for script verification will be required to pay a non-refundable fee as will be determined by the Institute.

All complaints regarding the examinations shall be launched with the Manager – Education and Examinations – within three months after the results have been released.

5.5 Examination Malpractices and Penalties

The types of malpractices and penalties are listed below

Malpractice	Recommended Action/Penalties
Attempting to go or going into the examination room with unauthorized notes or materials	Invigilator to write a report and ensure that the candidate writes an exculpatory letter and leaves the examination immediately
Impersonation – where somebody else write for the candidate	Nullify all the results for that sitting
Copying from each other.	Invigilator to write a report. If two or more candidates connive to share their solutions, nullify results in that particular subject. If one candidate copies from the other without consent, nullify the results for the one copying in that particular subject. Where two or more candidates have copied from each other for more than one subject, nullify all their results for that particular sitting.
Submission of two or more answer scripts.	Examiner to write a report. Nullify results for that particular subject

Widespread cheating at an examination centre in one paper

This may include poor invigilation, poor seating arrangement, candidates being assisted, candidates having prior knowledge of examination papers.

In all these:

- The first time- nullify for the affected subjects and warn the centre.
- The second time- nullify results for the affected subjects and suspend the centre.
- The third time- nullify results for the affected subjects and close the centre

Misconduct

This may include, but is not limited to, going to the examination room drunk; engaging in harassment of ZICA staff, invigilators, support staff or other candidates either verbally or physically. The candidates shall be expelled from the programme with no room for appeal.

Exhibiting false examination documents

This includes exhibiting false school certificates, results transcripts and/or certificates. This student shall be expelled from the ZICA programme with immediate effect.

6.0 Study Guidance

6.1 How to Study

Have a positive attitude

You have a lot to learn. However others have passed so can you. You should focus on all the benefits of passing the examinations will bring to you. Studying may seem difficult at times, but you are doing it for a reason – to advance your career.

Focus on the exams

You need to keep the exam firmly in your sights throughout your studies. You should read the guidance in the front pages of the Study Manual about the exam. You should also look out for all the references to the exam in chapter introductions, Exam alerts and other places in the Study Manual.

Organise your time

Before you start studying you must organise yourself properly. You need to timetable your studies, to ensure that you have enough time to cover the entire syllabus and revise it. Choose the notes format that is most helpful to you. Do not copy out too much, but summarise key areas that show you understand the entire syllabus content of your subject.

Learn actively

There are various ways in which you can keep your mind active when studying and hence improve your understanding and recall of the material. You should keep asking yourself how what you are studying fits into the whole picture of the exam. If you are not sure, go through the introduction of the Chapter and front pages of the Study Manual. You will also increase your understanding of the syllabus by going carefully through every example and trying every question in the Study Manual.

Review what you have learnt

Regularly reviewing the topics you are studying will help cement your understanding. The Study Manual will help you do this. The Chapter roundups summarises the key points in each

chapter. The quick quizzes test your grasp of the essential knowledge in each chapter.

6.2 How to revise

Plan your revision

At the start of your revision period, you should draw up the timetable to plan how long you will spend on each subject and how you will revise each area. You need to consider the total time you have available and also the time that will be required to revise the other exams you are taking. It is important not to spend too much time on small areas, and leave yourself insufficient time to cover the rest of the syllabus.

Question for practice

You will significantly improve your chances of passing the exam by practising exam-standard questions. Answering full questions against the clock will mean that you'll get used to the time pressure of the exam and will help you improve your written communication skills. When the time is up, you may find it useful to note where you have reached and then to try to complete the questions, giving yourself practise at all the techniques that the question tests. You should attempt the questions before you read the answers. Reading the answers without doing the questions will give you false assurance that you would have tackled the question in the best way and made the points that the answer does. You should also practise written and numerical questions, don't only attempt calculation questions.

Revise the whole syllabus

Make sure that your revision covers the entire syllabus. Examiners are well aware that some students only revise those syllabus areas that they think will be examined. Examiners try to prevent this by doing the unexpected, for example setting questions on the same topic in successive sittings. The most important topics in a syllabus often appear in questions. You need to identify these topics and spend sufficient time revising them. Take time to ensure you know the fundamental calculations, proformas and preferred report layouts for each examination, to increase the chances of scoring high marks.

Deal with difficult areas

Difficult areas are topics you find dull and pointless, or subjects that you found problematic when you were studying them. You must not become negative about these topics. Instead you should build up your knowledge by reading the Chapter summaries and using the Quick quiz questions in the Study Manual to test yourself. When practising questions, go back to the Study Manual if you are struggling.

Learn from your mistakes

When you complete a question you should try to look at your answer critically. It is worth noting mistakes you have made, and referring to these notes in the days before the exam. You should aim to learn at least one new point from each question you attempt, a technical point perhaps or a point on style or approach.

6.3 How to pass your exams

Prepare for the day

You should allow plenty of time to get to the examination room and plan to arrive well in advance of the starting time, so that you may be seated and accustomed to your surroundings by the time the examinations begin. You should have your route planned in advance and should try to find out about potential travel problems. You should check the night before to see that you have:

- Pens
- Pencils
- Erasers
- Watch
- Calculator with spare batteries

- Exam documentation and evidence of identity

You should not however bring paper or printed material into the examination room.

Select the right questions

You should select the optional questions you feel you can answer best, basing your selection on:

- The topics the question covers
- The requirements of the question
- How easy it will be to apply the requirements
- The availability of easy marks

Plan your time

You need to make sure that you answer the correct number of questions. You should also ensure that you spend the right length of time on each question. This will be determined by the number of marks available. Each mark carries with it a time allocation of 1.8 minutes. If you have not finished a question when your budgeted time is up, you should leave it and maybe return to it once you have completed the rest of the paper. The number of marks will also help to indicate the expected length and required depth of the answer.

Read the requirements carefully

It's often best to read the requirements first. To score well, you must follow the requirements of the question, understanding what aspects of the subject area are being covered, and the tasks you will have to carry out. Failing to provide everything the examiner asks for will limit the marks you can score. The requirements will also help you identify the most important information in the scenario more rapidly. They may specify that your answer has to be in a particular format, for example a letter. You will limit the marks you can score if you do not use that format.

Read the question scenario carefully

Reading the question scenario carefully will help you decide what issues to discuss, what techniques to use and how your answer should be structured.

Plan your answers

Five minutes of planning plus twenty-five minutes of writing is certain to earn you more marks than thirty minutes of writing. When you are planning, you should ensure your answer is structured in accordance with the requirements of the question. You should also consider whether you should group connected points under a single header and how long each part of the answer should take to write. You should confirm before you start writing that your plan:

- Makes sense
- Covers all relevant points
- Does not include irrelevant material or repetitions

Your answer will need to be full response to the requirements of the question. The markers cannot award marks for what they think you know but have not written down.

Demonstrate judgement

Examiners are not just looking for a display of knowledge; they want to see how well you can apply the knowledge you have. Evidence of application and judgement includes writing answers that:

- Only contain relevant materials
- Support the statements you make with adequate reason and arguments
- Use the material in scenarios to support your answer
- Discuss the limitations and assumptions of the techniques you use.

- Make reasonable recommendations that follow from your discussion.

Avoid poor exam techniques

There are various signs of lack of judgement and poor exam technique. The most serious one is setting out all you know about a subject and paying no attention to the question requirements. Answers that give a vague broad outline or which contain contradictions also won't score well. There is also no need to write out the question requirement – this wastes valuable time. You will also decrease your chances by writing an answer with insufficient depth, for example providing a single line bullet point list when the examiner asks you for a discussion.

Present your work clearly

Markers will only be able to give you credit if they can read your writing, so you must write legibly. You can help the marker by writing on alternate lines and leaving adequate space between words, sentences and paragraphs. There are also plenty of other things that will make it more difficult for the markers to reward you. Examples include:

- Not showing clearly which question you're attempting
- Scattering question parts from the same question throughout your answer booklet
- Not showing clearly workings or the results of your calculations
- Writing paragraphs that are too long or which lack headers
- Writing paragraphs that are too long or which lack headers
- Writing sentences that are too long – you should normally restrict yourself to one idea per sentence.

Stay until the end of the exam

You should use any spare time to check and recheck your script. This includes checking you have:

- Filled out the candidate details correctly
- Labelled question parts and workings clearly
- Used headers and underlining effectively
- Ensure that spelling, grammar and arithmetic are correct

