



DECEMBER 2025 EXAMINATIONS

CHIEF EXAMINERS REPORTS

POST GRADUATE DIPLOMA IN TAXATION

SUBJECT: PGDT1 - FINANCIAL ACCOUNTING AND REPORTING

QUESTION ONE

The general performance on this question was very poor. Only 5 out of the 16 candidates that attempted the question achieved a pass (that is a score of at least 20 out of 40 marks), representing a pass rate on the question of 9.5%. The lowest score was 2 whilst the highest was 21 out of the available 40 marks.

The question had four (4) parts, (a), (b), (c) and (d). Part (a) required candidates to prepare the statement of profit or loss and other comprehensive income. Part (b) required candidates to prepare the statement of changes in equity while part (c) required candidates to prepare the statement of financial position. Part (d) required candidates to advise the directors of Skyline on the aspects of the business activities that would be reported under financing activities in the statement of cash flows. Technical issues included IAS 16 – Property, Plant & Equipment, IFRS 9 – Financial Instruments, IAS 12 – Income Taxes, IFRS 15 – Revenue from Contracts with Customers, IFRS 16 – Leases, IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, IAS 2 – Inventories and IAS 36 – Impairment of Assets.

Majority of candidates prepared the statement of profit or loss and the statement of financial position using the format for internal use that applies to unincorporated businesses such as sole traders instead of the formats according to IAS 1. Further, they used basic unadjusted figures from the trial balance, possibly because they could not competently apply the provisions of the required accounting standard for each of the adjustments in the notes.

The following are the common mistakes made by the candidates:

- (i) Failing to correctly separate the value of land from that for buildings and calculate current year depreciation on buildings. The depreciation was therefore not removed from the carrying amount before calculating the revaluation surplus or deficit on land and buildings (IAS 16).
- (ii) Failing to correctly calculate the income tax charge, given the amount of overprovision and temporary differences on which to base the calculation of the carrying amount for deferred tax, and adjusting the opening balance to find the amount to take to increase the current tax charge (IAS 12).
- (iii) Failed to calculate the amount of unrealized profit on the consignment sales that required to be removed from sales and the cost reported as part of the closing inventory. Knowledge of double entry was required if amounts were to be subtracted or added to the right account balances (IFRS 15).
- (iv) Failed to account for the lease because candidates were not sure of the opening balance and the addition or subtraction of subsequent amounts on interest (IFRS 16).
- (v) Failing to apply the principle that the carrying amount of an asset was the lower between its cost and the net realizable value. This was to apply to the brand name and the inventory that required modification (IAS 36).
- (vi) Candidates did not calculate correctly the updated number of shares following the rights issue, and as a consequence they did not correctly calculate the amount of dividend to accrue at the end of the year.

- (vii) A number of candidates prepared a statement of cash flows instead of simply discussing business activities that would give rise to financing cash flows for the entity. A few of them correctly stated that issue of shares and loan arrangements gave rise to financing activities cash flows. More activities would have been mentioned, however.

Candidates are expected to master the IAS 1 prescribed formats in order for them to prepare full reports. Further, candidates should remember that the rule of double entry still applies even at higher levels of learning accounting. When there is a subtraction of figures, candidates must know whether it is a debit entry being subtracted from a credit entry, or a credit entry is being subtracted from a debit entry. Answers presented revealed that candidates had inadequate knowledge of accounting standards and double entry.

QUESTION TWO

The general performance on this question was poor. Only 3 of the 10 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 30% was recorded. The highest score was 18 out of 20 marks while the lowest was 2.

The question was made up of two (2) parts. Part (a) required candidates to prepare the consolidated statement of profit or loss while part (b) required candidates to state six (6) qualitative characteristics of accounting information. The only technical issue examined was FRS 10 – Consolidated Financial Statements.

Generally, most candidates did not perform well in this question. The following are the common mistakes made by the candidates:

- (i) Some candidates had challenges in computing the revenue figure as they failed to correctly identify the impact of intra-group trading on group revenue. Few candidates could not account for the K30,000 intra group item in both revenue and cost of sales. Few were able to account for the unrealized profit in cost of sales though a handful subtracted it instead of adding it to cost of sales. Further, a number of candidates failed to change a profit mark-up to profit margin.
- (ii) Few candidates failed to duplicate the figures that did not require any amendment onto the consolidated financial statements for easy marks.
- (iii) Further, only a handful of candidates managed to correctly account for impairment loss on goodwill by splitting it between owners of the parent and Non-Controlling Interest.
- (iv) Failure to follow recommended presentation of putting figures in brackets to maximize on achieving high marks also had a detrimental effect on the victims as their totals that were incorrect could not be allocated proportionate marks for components unknown.
- (v) It appeared that many candidates were not comfortable with theory part and demonstrated ignorance of the revised (March 2018) conceptual framework for financial reporting.

Candidates of futures sittings are reminded to do more practice on consolidated financial statements and study the conceptual framework for financial reporting.

QUESTION THREE

The general performance on this question was very poor. Only 2 of the 11 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 18.1% was recorded. The highest score was 14 out of 20 marks while the lowest was 1.

The question was made up of four (4) parts. Part (a) required candidates to discuss the accounting treatment of an item of machinery that was bought at a discount and later revalued in accordance with IAS 16. Part (b) required candidates to discuss the accounting treatment of receivables and its related irrecoverable debt. Part (c) and part (d) required candidates to discuss the accounting treatment of electricity bills and legal claim respectively.

Common mistakes made when answering this question included:

- (i) Failure to calculate the correct amount at which an item of machinery was to be measured on initial recognition. Candidates demonstrated lack of knowledge on the costs that should be capitalized in accordance with IAS 16.
- (ii) Failure to prepare the receivables ledger control accounts to determine the correct closing receivables balance. Candidates demonstrated lack of knowledge on which entries to post on the credit side and those to post on the debit.
- (iii) Failure to prepare the electricity account and insurance account to determine the amounts to be charged in the financial statements.
- (iv) Candidates who correctly prepared accounts first before discussion managed to score average marks. Majority of candidates had forgotten basic accounting and double entry and were describing transactions more as administrative activities, instead of discussing them as accounting entries.

Candidates of future sittings are encouraged to study and practice more on end of year adjustments including, but not limited to, prepayments, accruals, irrecoverable debts and depreciation.

QUESTION FOUR

The general performance on this question was very good. 9 of the 13 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 69.2% was recorded. The highest score was 16 out of 20 marks while the lowest was 5.

The question was made up of two (2) parts. Part (a) required candidates to prepare the statement of cash flows while part (b) required candidates to calculate the amounts to be included in the statement of profit or loss in respect of rent payable, commission payable, rent receivable and royalties receivable.

The following were the common mistakes made by the candidates:

- (i) Candidates had a challenge to compute depreciation expense. Future candidates are reminded to appreciate the use of T-accounts to ascertain their missing figures. In this case, accumulated depreciation account should have been used to calculate depreciation expense for the year which most candidates failed to calculate.

- (ii) Failure to calculate the amount of cash proceeds from issue of shares.
- (iii) Few candidates were quite inconsistent with the amount's presentation 'with' or 'without' zeros.
- (iv) Some candidates completely failed to produce a sensible statement of cash flows with few literally presenting only the format without amounts indicated.
- (v) Finally, most of the candidates did not attempt part (b) of the question. Answers to this question were based on the double entry, prepayments and accruals. Poor answers to this part of the question contributed to overall average performance of the candidates as they failed to calculate the amounts to be charged in the statement of profit or loss.

Candidates of future sittings are encouraged to study and practice more on end of year adjustments including, but not limited to, prepayments and accruals.

QUESTION FIVE

The general performance on this question was very good. 10 of the 14 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 71.4% was recorded. The highest score was 19 out of 20 marks while the lowest was 1.

The question had three (3) parts. Part (a) required candidates to describe the due process of the IASB's International Financial Reporting Standards formulation. Part (b) required candidates to discuss any four (4) provisions of the Partnership Agreement while part (c) required candidates to prepare the partnership's appropriation account and the partners' current accounts.

The following are the common mistakes made by the candidates:

- (i) Failure to describe the rigorous process of gathering data and information for preparation of an accounting standard. Majority of candidates described the various committees and the specific roles they play to meet the objectives outlined for them.
- (ii) Failure to outline majority of activities handled by the IASB in the process of compiling an accounting standard.
- (iii) Failure to discuss the provisions of the Partnership Agreement.
- (iv) Failure to calculate the correct amounts of interest in drawings and interest on capital.
- (v) Failure to prepare the current accounts while some candidates swapped the sides where to enter the amounts because they could not remember whether amounts would be debited or credited to the accounts.

Candidates are advised to have an understanding of each area of the syllabus (including theory part) in order to increase their chances of passing.

Overall performance of candidates

Highest mark obtained in this paper:	59%
Lowest mark obtained in this paper:	16%
Overall pass rate in this paper:	25%

SUBJECT: PGDT2- LAW OF TAXATION

QUESTION ONE

The general performance on this question was excellent. All the 42 candidates that attempted the question achieved a pass (that is a score of at least 20 out of 40 marks), representing a pass rate on the question of 100%. The lowest score was 16 whilst the highest was 36 out of the available 40 marks.

This question was compulsory. The question had three parts

- (a) Candidates' answered this question adequately.
- (b) Candidates' responses to this question were satisfactory.
- (c) This question was advisory candidates showed a strong understanding of the topics as they advised Mr. Jones. In future candidates should be able to read and understand the topics in detail.

This question was compulsory and was answered very well by all candidates. Future candidates are encouraged to revise the topic in Full as provided in the ZICA manual.

QUESTION TWO

The general performance on this question was excellent. 41 of the 42 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 97.6% was recorded. The highest score was 20 out of 20 marks while the lowest was 2.

The question had two parts:

- (a) Candidates answered this question adequately, demonstrating a great understanding of sources of taxation law.
- (b) Candidates adeptly explained the distinction between a company and a partnership as they tackled this question. In future, students must be encouraged to fine tune the studying to learning outcomes and the required detail in all aspects of the syllabus.

QUESTION THREE

The general performance on this question was excellent. All the 42 candidates that attempted to complete the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 100% was recorded. The highest score was 20 out of 20 marks while the lowest was 10.

The question had three parts.

The question required the candidates to advise the client on the relevance of VAT to a country, entities that can register for VAT and the obligation which the client will be subjected to as a taxpayer. All candidates gave satisfactory feedback on the first and second parts of question three. However, majority of the students seemed not to be sure of the type of business entity that can register for VAT. Several students discussed the threshold for VAT registration. Students must understand the questions and respond accordingly. In future, students must be encouraged to fine tune the studying to learning outcomes and the required detail in all aspects of the syllabus

QUESTION FOUR

The general performance on this question was excellent. The lone candidate that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 100% was recorded. The highest score was 14 out of 20 marks.

This question four focused on dividends. Candidates were expected to demonstrate understanding of dividends in company circles. Candidates explained this well and all future students are encouraged to revise the ZICA manual and answer questions adequately. Generally, most candidates did well in this question. In future candidates should prepare adequately.

QUESTION FIVE

The general performance on this question was excellent. 38 of the 41 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 92.7% was recorded. The highest score was 20 out of 20 marks while the lowest was 5.

The question had two parts.

- (a) This part focused on the offences and penalties for non-compliance with tax requirements under the Zambian tax law regime. Candidates answered this question well. Demonstrating a good understanding of the topic. Only one candidate demonstrated ignorance in this question and is encouraged to study hard and read the manual in full.
- (b) The question was quite clear; it required students to demonstrate their understanding of mineral royalties and when they would be applicable. The question was very basic and easily understood by the candidates. The ones who failed did not do well owing to their own unpreparedness. In future, students must read and prepare widely.

The paper was set according to the level of learners. There was no problem observed with the paper. Students did well generally and were able to answer the questions as required.

Overall performance of candidates

Highest mark obtained in this paper: 89%
Lowest mark obtained in this paper: 15%
Overall pass rate in this paper: 97.6%

SUBJECT: PGDT3 - DIRECT TAXES

QUESTION ONE

The general performance on this question was very good. 4 out of the 6 candidates that attempted the question achieved a pass (that is a score of at least 20 out of 40 marks), representing a pass rate on the question of 66.7%. The lowest score was 10 whilst the highest was 33 out of the available 40 marks.

This question had five (5) parts, (a), (b), (c), (d) and (e):

In part (a), candidates were required to calculate the quarterly amounts of provisional income tax paid by Mop Ltd during the charge year 2025.

The following were the common mistakes made by candidates:

- (i) Failure to compute the correct provisional income tax due to use of wrong rates.
- (ii) Some candidates used individual tax bands to tax a limited company.

In part (b), candidates were required to determine the amount of tax paid by Mop Ltd on the rental income for the 2025 charge year.

The following were the common mistakes made candidates:

- (i) Some candidates had no idea on how rental income is taxed.
- (ii) Some other candidates still thought that it was subjected to withholding tax and taxed it at a withholding tax rate of 15%.

In part (c) (i), candidates were required to prepare a computation of the capital allowances claimable by Mop Ltd on buildings, implements, plant and machinery for the charge year 2025.

The following were the common mistakes made by candidates:

- (i) Failure to compute correct capital allowances for some assets due to use of wrong rates.
- (ii) Failure to deal with the disposal of an asset where a balancing allowance or charge needs to be calculated.
- (iii) Not sure of which wear and tear rate should be used for commercial or non-commercial vehicles.
- (iv) Some candidates calculated the wear and tear for manufacturing equipment at the rate of 25% instead of 50%.

In part (c) (ii), candidates were required to determine the final taxable profit for Mop Ltd and the amount of company income tax payable for the charge year 2025, stating the due date when the amount should be paid.

The following were the common mistakes made by candidates were:

- (i) Failure to compute the correct tax adjusted business profit because of failing to identify items that were disallowable which should have been added to the net profit.
- (ii) Some candidates deducted the investment income after grossing them up which was totally wrong.
- (iii) Some candidates taxed the company using individual tax bands instead of a flat-rate of 30%.
- (iv) Some candidates were still using old personal-to-holder car charges which were increased by 20%.
- (v) Not aware that the due date for the company income tax is 21st June of the following year.

In part (d), candidates were required Calculate the Income Tax payable by the Production Manager, Mr. Okowo, for the tax year 2025, based on information provided in note (10) above.

The following were the common mistakes made by candidates:

- (i) Failure to compute the correct taxable emoluments for the employee.
- (ii) Failure to use individual tax bands.
- (iii) Not knowing at what point PAYE should be deducted in taxing an individual.

In part (e), candidates were required to advise the directors of Mop Ltd of whether the company, will continue being liable to Zambian income tax next year following their decision to be holding their quarterly Board meetings in Harare, Zimbabwe.

The following were the common mistakes made by candidates:

- (i) Failure to give proper advice as required by the question instead on talking about company residence status.
- (ii) Some candidates were too brief to give the reasons as to whether the company was liable to Zambian income tax.

QUESTION TWO

The general performance on this question was very good. 3 of the 4 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 75% was recorded. The highest score was 12 out of 20 marks while the lowest was 2.

The question had two (2) parts, (a) and (b):

In part (a), candidates were required to determine the taxable business profits for each partner for the year ended 31 December 2025.

The following were the common mistakes made by candidates:

- (i) Failure to compute the correct tax adjusted business profit which was supposed to be reduced by capital allowances before allocation to partners.
- (ii) Failure to apportion and deduct salaries and interest on capitals before sharing the profit among partners. The apportionment was required because there was a change in the partnership agreement during the year.
- (iii) Some candidates used the wrong format of taxing partners.

In part (b), candidates were required to assess the amount of income tax chargeable on each partner for the tax year 2025.

The following were the common mistakes made by partners:

- (i) Failure to compute the correct taxable profits for partners.
- (ii) Failure to use individual tax bands to tax partners.

QUESTION THREE

The general performance on this question was good. 3 of the 5 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 60% was recorded. The highest score was 16 out of 20 marks while the lowest was 1.

This question had three (3) parts, (a), (b) and (c):

In part (a), candidates were required to compute the amount of each of the following for Mrs Pule:

- (i) Income tax arising under the Pay As You Earn System for the month of June 2025
- (ii) Statutory employee's contributions to NAPSA, and NHIMA for the month of June 2025.
- (iii) Net pay for the month of June 2025 excluding pension refunds.

The following the common mistakes made by partners:

- (i) Failure to compute the correct taxable emoluments for the employee.
- (ii) Failure to compute the correct tax payable due to wrongly computed taxable emoluments in (a) (i) above.
- (iii) Failure to compute the NAPSA contribution based on total taxable emoluments.
- (iv) Failure to compute the correct NHIMA contributions based on the basic pay.

In part (b), candidates were required to advise Mrs. Pule on how she will be assessed to tax on the transportation and rental of the boarding house and car park businesses that she intends to commence.

The following were the common mistakes made by partners:

- (i) Lack of knowledge on the tax chargeable for someone running the transportation business.
- (ii) Lack of knowledge on the tax chargeable on rental income.

In part (c), candidates were required to determine the amount of tax that will arise for the charge year 2025 on:

The following were the common mistakes made by:

- (i) Failure to compute the correct presumptive tax payable because of wrongly used tax tables.
- (ii) Failure to compute the correct rental income tax to the wrongly computed total taxable rental income.
- (iii) Not knowing how to use the rental income tax tables.

QUESTION FOUR

The general performance on this question was very poor. Of the 3 candidates that attempted the question, none managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 0% was recorded. The highest score was 5 out of 20 marks while the lowest was 3.

This question had two (2), (a) and (b):

In part (a), candidates were required to determine the amount of Mineral Royalty Tax paid by the company during the charge year 2025.

The following were the common mistakes made by candidates.

Some candidates could not compute the correct mineral royalty tax because of lack of knowledge on how to use the rates.

In part (b), candidates were required to compute the final taxable mining profits for MMC for the tax year 2025 and the amount of company income tax payable. Your solution should show the amount of the mining tax loss remaining unrelieved at 31 December 2025.

The following common mistakes were made by candidates:

- (i) Failure to compute the correct taxable mining profit owing to not knowing which items were disallowable.
- (ii) Some candidates failed to index capital allowances even though the formula was provided in the question.
- (iii) The majority of candidates could not index loss relief for lack of knowledge.

QUESTION FIVE

The general performance on this question was poor. Only 2 of the 6 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 33.3% was recorded. The highest score was 13 out of 20 marks while the lowest was 3.

This question had three (3) parts (a), (b) and (c):

In part (a), candidates were required to advise Changa of the property transfer tax implications of each of the above transactions; computing the amount of any property transfer tax arising.

The following were the common mistakes made by candidates:

- (i) Failure to explain and compute the correct Property Transfer Tax for each transaction.
- (ii) Some candidates were still using the old rate for PTT of 5% instead of 8%.

In part (b), candidates were required to Compute the Income tax payable by CC Farms Ltd for the Tax year 2025.

The following were the common mistakes made by candidates:

- (i) Failure to compute taxable business profit due to wrong adjustments.
- (ii) Failure to tax a company which had both farming and non- farming income.
- (iii) Failure to recall that farming income is taxed at 10% , while non farming is taxed 30%

In part (c), candidates were required to evaluate two (2) ways in which ethical behavior by tax practitioners contributes to improved tax administration in the Zambian taxation system.

The following were the common mistakes made by candidates:

- (i) Failure to explain ethics in relation to taxation.
- (ii) Lack of knowledge of the application of ethics in taxation.

Overall performance of candidates

Highest mark obtained in this paper:	62%
Lowest mark obtained in this paper:	15%
Overall pass rate in this paper:	66.7%

SUBJECT: PGDT4 - TAXATION

QUESTION ONE

The general performance on this question was poor. Only 1 out of the 3 candidates that attempted the question achieved a pass (that is a score of at least 20 out of 40 marks), representing a pass rate on the question of 33.3%. The lowest score was 8 whilst the highest was 22 out of the available 40 marks.

The question covered taxation of Value Added Tax, Customs & Excise duty.

In part (a) candidates were required to advise the directors of KUKU Ltd on the nature and purposes of a bonded warehouse.

Common mistakes noted:

- (i) Some candidates were unable to conclusively explain what and purposes of a Bonded Warehouse.
- (ii) There were some general explanations offered on a Bonded warehouse note as specifically stated in the customs act.

In part (b) there were two (2) parts (I, ii) In part (i) candidates were required to determine the total taxes paid on the acquisition of the new 18 seater Toyota Hiace Minibus.

Common mistakes noted:

- (i) Failure to apply the correct Customs Duty rate of 15%.
- (ii) Failure also to add the correct Excise and Value Added Tax.

In part (ii) candidates were required to compute the VDP and total import taxes paid on the importation of the second hand ten (10) tonne truck.

Common mistakes noted:

- (i) Failure to compute the correct VDP by applying the wrong exchange rate.
- (ii) Failure to apply the correct Customs and Excise duty rates.
- (iii) Failure to apply the correct Value Added tax rate.

In part (c) candidates were required to; Advise the Directors of Kuku of any five (5) conditions or restrictions that must be met from any input VAT incurred by the company to be recoverable.

Common mistakes noted:

- (i) Inability by some candidates to correctly and fully explain the conditions and restrictions as per question requirement.
- (ii) Candidates' expressing general conditions and requirements which are not related to INPUT VAT.

In part (d) candidates were required to; Advise on any three (3) conditions that must be met by Kuku Ltd to be able to claim Bad Debt Relief.

Common mistakes noted:

- (i) Failure to fully explain the conditions required for customer to claim Bad debt relief.
- (ii) Candidates expressing general conditions not applicable to Bad debt relief claims.

In part (e) there two (2) parts; (i) and (ii).

In part (i) candidates were required to; Determine the percentage of the recoverable non-attributable INPUT VAT using the proportion of the total taxable supplies for the period to the total supplies for the period.

Common mistakes Noted

- (i) Failure to correctly compute the Recoverable non-attributable input VAT.
- (ii) Candidates were applying wrong total taxable amounts against wrong total supplies.

In part "(ii) candidates were required to; Compute the amount of VAT payable by the company for the month of June 2025.

Common mistakes noted:

- (i) Failure by some candidates to compute the standard rated sales to VAT registered customers and sales to customers not registered for VAT.
- (ii) Failure to compute the Purchases from VAT registered customers.
- (iii) Failure to compute diesel for delivery vehicles, servicing and repairs.
- (iv) Failure to compute sales and advertising, bad debts, and general expenses.
- (v) Some candidates were failing to apply the correct non-attributable input VAT rate.
- (vi) Failure to compute the correct VAT payable amount.

QUESTION TWO

The general performance on this question was poor. Only 1 of the 3 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 33.3% was recorded. The highest score was 14 out of 20 marks while the lowest was 3.

The question was on Value Added Tax (VAT). It was divided into four parts.

Part (a) required candidates to advise the company on the types of persons who are eligible to register for Value Added Tax. The common mistake was that candidates did not have knowledge about the voluntary scheme.

Part (b) required candidates to assess using information in the scenario, whether the company will be required to register for VAT. Candidates had challenges with this part of the question as there was confusion on the quarters and the months provided in the question. Some candidates ignored the quarters. Therefore, they could not explain with supporting computations the month when the client will be required to register for VAT.

Part (c) of the question required candidates to advise the company on any four (4) circumstances in which a trader who is registered for VAT can be de-registered. The main challenge here was that candidates only provided two or three reasons and therefore could not earn all the four marks allocated to the question.

Part (d) required candidates to discuss the role of the Zambia Revenue Authority in relation to the administration of: (i) Domestic VAT, (ii) Import VAT, and (iii) Customs duty. The main challenge was that most responses ignored the aspect of penalties which are charged for non-compliance in each of the three cases.

QUESTION THREE

The general performance on this question was excellent. All the 3 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 100% was recorded. The highest score was 15 out of 20 marks while the lowest was 10.

This question was on VAT and excise duty. It was divided into two parts:

Part (a) required candidates to contrast the VAT treatment of a list of five (5) transactions provided in the question.

The following were the common challenges experienced by candidates:

- (i) Assuming that Bread supplied by a restaurant is standard rated.
- (ii) Assuming that flour produced from wheat is standard rated.

Part (b) of the question required the candidates to advise on each of three sub questions (i), (ii) and (iii) provided below.

- (i) This part required advise on whether excise duty is chargeable on the production of Maheu or Chibwantu. Most candidates did not experience challenges on this part.
- (ii) This part required an explanation of the three main types of excise duty structures applicable in Zambia. Most candidates had no knowledge of the hybrid duty.
- (iii) This part required candidates to explain the points at which excise duty on goods and services liable to excise duty is imposed, The responses were poor due to insufficient knowledge as most of the candidates provided only one or two points.

QUESTION FOUR

The general performance on this question was very poor. The lone candidate that attempted the question managed to obtain less than 10 marks out of a total of 20 available marks. A pass rate of 0% was recorded. The highest score was 5 out of 20 marks.

This question covered customs duty, excise duty and ethics. It was divided into three parts.

Part (a) required the determination of VDP and the total import taxes paid by the company on importation of products from South Africa.

The following are the common mistakes committed by candidates:

- (i) Inclusion of additional transport and insurance costs incurred from Chirundu to Lusaka in the VDP.
- (ii) Use of incorrect customs duty and excise duty rates.

Part (b) required an evaluation of ethical implications resulting from deliberate misclassification of imports.

The common mistake was to omit familiarity and self-interest threat from the response which could result from the relationship between the client and the broker.

Part (c) required advice on the records to be kept by a manufacturer in relation to excise duty. The candidate demonstrated a lack of knowledge of the relevant records and failed to provide the required answers.

QUESTION FIVE

The general performance on this question was poor. All the 2 candidates that attempted the question obtained less than 10 marks out of a total of 20 available marks. A pass rate of 0% was recorded. The highest score was 6 out of 20 marks while the lowest was 1.

This question involved export concessions and registration requirements for excisable goods. It was split into four parts (a) (b) (c) and (d).

Part (a) required an explanation of the nature and purpose of export concessions given to exporters of goods.

Most responses provided by candidates were satisfactory.

Part (b) required an explanation of the types of concessions available to Afro Limited.

Most candidates had a challenge explaining the relief from export taxes under the draw back duty system.

Part (c) required an explanation of the types of records that a Zambian resident company manufacturing goods from imported and local materials ought to maintain under the provisions of the customs and excise Act.

The challenges faced by candidates on this part was that they could not provide sufficient information to earn the marks available. Most responses were very brief

Overall performance of candidates

Highest mark obtained in this paper: 56%

Lowest mark obtained in this paper: 22%

Overall pass rate in this paper: 33.3%

SUBJECT: PGDT5 - INTERNATIONAL TAXATION

QUESTION ONE

The general performance on this question was excellent. All the 7 candidates that attempted the question achieved a pass (that is a score of at least 20 out of 40 marks), representing a pass rate on the question of 100%. The lowest score was 14 whilst the highest was 32 out of the available 40 marks.

Part (a) required candidates to advise on the difference between juridical and economical double taxation and was generally answered well.

Part (b) which required candidates to explain the benefits of Exchange of information. Joint investigations of Taxpayers was equally generally answered well,

In part (c) candidates were required to advise on the differences between the concept of source and the concept of residency as they apply in international taxation. Only two candidates demonstrated a lack of knowledge of the concepts and therefore failed to provide the required answers.

Part (d) required candidates to advise on the three methods of giving double taxation relief to Zambian resident persons with income from foreign sources and was generally answered well.

In part (e) candidates were required to advise on directors of whether a foreign entity was liable to Zambian income tax on business on its foreign business profits for the year and investment income received from Zambian sources. Some candidates failed to state that the foreign profits will not be chargeable to Zambian tax being sourced in a foreign country, while the investment income was chargeable to Zambian tax.

In part (f) candidates were required to advise on the income tax treatment of the income received by a Zambian resident from its Zambian and foreign investments, computation of the amount of income tax payable by the company for the tax year 2025. Some candidates failed to determine the correct amount of double taxation relief on the income received from investments when computing the payable tax.

QUESTION TWO

The general performance on this question was very good. 3 of the 4 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 75% was recorded. The highest score was 12 out of 20 marks while the lowest was 2.

The question was on indirect taxes in International Taxation. It was divided into three parts,

Part (a) (i) required candidates to explain the difference between human rights law and tax law. The common mistake was failure to explain how taxation may interfere with international human rights standards.

Part (a) (ii) required an explanation of the relationship between human rights and tax abuse. Some candidates were confusing tax avoidance with tax abuse.

Part (a) (iii) required a demonstration of the differences between origin based taxation and destination-based taxation as they apply in international indirect taxes, and their implications on a Zambian company. The common mistake was the failure by most candidates to explain the implications on Kernel Zambia Limited.

Part (b) required an understanding of the principle of General Jurisdiction and how it would affect a resident who earns income from both domestic and foreign sources. This part was fairly attempted by most candidates

Part (c) required a discussion of the roles of COMESA and SADC in facilitating cross border cooperation in tax matters among member countries. Unfortunately, most responses were focused on cross border trade facilitation without explaining how this facilitation is achieved. Many had a challenge on this part.

QUESTION THREE

The general performance on this question was very poor. The lone candidate that attempted the question obtained less than 10 marks out of a total of 20 available marks. A pass rate of 0% was recorded.

This question was on indirect taxes in international taxation. It was divided into three parts.

Part (a) required an explanation of benefits and challenges that a company may face when dealing with cross boarder merger under the General Agreement on Tariffs (GATT) rules.

The following were the common challenges on this part.

- (i) Lack of knowledge on the subject and therefore providing wrong responses.
- (ii) Providing very summarized short sentence responses.

Part (b) was a discussion question on any two elements of the GATT charter. Candidates did not have challenges on this part.

In Part (c) candidates were required to advise on the four (4) limitations of the international public law as it applies to taxation of cross border transactions. Most of the responses concentrated on human right issues. Issues of sovereignty were poorly explained.

QUESTION FOUR

The general performance on this question was very good. 5 of the 7 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 71.4% was recorded. The highest score was 14 out of 20 marks while the lowest was 7.

This question covered international tax avoidance. It was divided into parts (a) and (b)

Part (a) required candidates to advise on the concept of base erosion and profit sharing (BEPS) and to determine whether the actions of the company in the scenario constitute BEPS. Most candidates demonstrated an understanding of the concept.

Part (b) required candidates to advise on the five (5) factors that are taken into account in identifying a tax haven and whether the developing country in the scenario can be classified as a tax haven. The common mistake was to omit factors like harmful preferential tax regimes giving tax advantages to foreign companies and lack of information exchange with foreign tax authorities.

QUESTION FOUR

The general performance on this question was very good. 5 of the 7 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 71.4% was recorded. The highest score was 15 out of 20 marks while the lowest was 6.

This question covered the treatment of foreign income of residents. It was split into three parts;

Part (a) required an explanation of the concept of permanent establishment and any three implications of permanent establishment in international taxation. Most responses omitted the implications of permanent establishments such as attribution of profits and tax treaty protection.

Part (b) required an explanation of the permanent establishment indicators of fixed place of business, and duration in accordance with the OECD model taxation convention. Very few challenges were experienced on this part.

Part (c) required the computation of income tax for the chief executive officer of the Zambian resident company.

The challenges faced by most candidates on this part were as follows:

- (i) Failure to gross up the foreign dividends and interest before inclusion in the income tax computation
- (ii) Omission of the dividends from the income tax computation.
- (iii) Errors in computation of the double taxation relief.

Overall performance of candidates

Highest mark obtained in this paper: 67%

Lowest mark obtained in this paper: 35%

Overall pass rate in this paper: 71.4%

SUBJECT: PGDT6 - TRANSFER PRICING

QUESTION ONE

The general performance on this question was very good. 4 out of the 6 candidates that attempted the question achieved a pass (that is a score of at least 20 out of 40 marks), representing a pass rate on the question of 66.7%. The lowest score was 8 whilst the highest was 34 out of the available 40 marks.

The question covered Zambian transfer pricing guidelines and transfer pricing approaches

In part (a) candidates were required to advise on the purpose and content of the Master file, Local File and Country by Country Report in Zambian transfer pricing. A number of candidates demonstrated a lack of knowledge of the purpose and content of the documentation and failed to provide the required answers.

Part (b) required candidates to Justify an appropriate transfer pricing method for each of the f intragroup transactions entered into by the entity during the year and advise on the tax treatment of each transaction when computing the taxable profit. Some candidates failed to identify justify the appropriate transfer pricing method for the transactions. They further failed to advise on the appropriate transfer pricing adjustments when computing the final taxable profit.

QUESTION TWO

The general performance on this question was very poor. Of the 6 candidates that attempted the question no one managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 0% was recorded. The highest score was 9 out of 20 marks while the lowest was 5.

The question was on permanent establishments and transfer pricing. It was divided into three parts

Part (a) required candidates to assess whether the foreign company in the scenario can be considered to have a permanent establishment in Zambia based on two business activities. The common mistake was that candidates did not sufficiently address the matter of the nature of the agency relationship between the foreign company and the local agent. The question specifically required the candidate to address the criteria used to distinguish between dependent and independent agents. Most responses considered only the matter of the two business activities.

Part (b) required candidates to advise on the two step approach that ZRA would take to attribute profits to this establishment if it was considered to be a permanent establishment. Most candidates had challenges with this part of the question. Most of the responses were shallow due to the lack of sufficient information on the two step approach.

Part (c) of the question required candidates to discuss any four reasons why OECD member countries have adopted the arms -length principle as a basis for setting transfer prices on

controlled transactions between associated persons. Most responses did not explain that the arms-length principle provides broad parity of tax treatment for MNE's and independent enterprises and hence avoids the creation of tax advantages and disadvantages that would otherwise distort the relative competitive position of these entities. Otherwise most responses were fair.

QUESTION THREE

The general performance on this question was fair. 1 of the 2 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 50% was recorded. The highest score was 12 out of 20 marks while the lowest was 6.

This question was on transfer pricing guidelines for specific transactions. It was split into two parts; (a) and (b).

Part (a) required candidates to critically evaluate the role and authority of three sources of guidance on Zambian transfer pricing practice namely:

- (i) OECD Transfer Pricing guidelines.

In most responses there was failure to acknowledge that these guideline have persuasive authority even if they are not law.

- (ii) UN practical manual on transfer pricing for developing countries.
Most candidates did not understand the role of the manual as required by the questions. Most of them were just focused on the authority of the manual.
- (iii) Zambian income tax act and transfer pricing regulations. Few challenges were experienced here.

Part (b) of the question required candidates to describe the nature of intra-group chargeable and non-chargeable services and discuss their transfer pricing treatment, when provided between associated entities, in line with OECD transfer pricing guidelines. Most responses were very brief and therefore could not warrant the full marks available. As the question required a discussion, more information should have been provided by the candidates.

QUESTION FOUR

The general performance on this question was very poor. Only 1 of the 6 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 16.7% was recorded. The highest score was 12 out of 20 marks while the lowest was 3.

This question covered the avoidance of double taxation and dispute resolution. It was divided into five parts.

Part (a) required an explanation of the Mutual Agreement Procedure (MAP), under OECD Model Convention and a description of three areas where MAP is generally used in transfer pricing. Most candidates demonstrated a lack of understanding of the MAP and failed to provide the required solutions.

Part (b) required explanation of the key steps in initiating and applying the Mutual Agreement Procedure (MAP). Most candidates had little knowledge of the steps required and failed to explain the steps

Part (c) required students to advise on the purposes of Advanced Pricing Agreements (APA's) and a description of the type of APA's available under international transfer pricing frameworks. Very few challenges were experienced on the type of APA's available. However, on the purposes of APA's most candidates provided only one or two and therefore lost some marks.

Part (d) required explanation of any three actions which tax authorities may undertake to resolve transfer pricing disputes. This part of the question was answered well.

Part (e) required an explanation of any two roles taxpayers, including MNE's, can play in the resolution of transfer pricing disputes. Most candidates demonstrated a lack of understanding of how disputes are resolved and therefore failed to provide the required solutions.

QUESTION FIVE

The general performance on this question was very poor. Of the 2 candidates that attempted the question no one managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 0% was recorded. The highest score was 9 out of 20 marks while the lowest was 3.

This question covered avoidance of double taxation and dispute resolution including transfer pricing regulations under the income tax act. It was split into four parts.

Part (a) required a discussion of the OECD Model tax convention in providing relief from Double taxation in disputes. The common mistake made by most candidates was to list or state rather than discuss.

Part (b) required an analysis of how thin capitalization rules can create risks of double taxation in cross-border financing. Most candidates had insufficient knowledge of the subject and therefore earned only a few marks.

Part (c) required advice on transfer pricing adjustments which the company in the scenario will be required to make. Very few challenges were experienced by the majority of candidates.

Part (d) required a computation of income tax payable by the Zambian company in the scenario for the tax year 2025. Common difficulties experienced by candidates was the computation of the revised interest expense and the Tax EBITDA. This proved difficult for most candidates leading to loss of marks.

Overall performance of candidates

Highest mark obtained in this paper: 58%

Lowest mark obtained in this paper: 25%

Overall pass rate in this paper: 33.3%

SUBJECT: PGDT7 - TAX AUDIT & INVESTIGATIONS

QUESTION ONE

The general performance on this question was very good. Only 5 out of the 7 candidates that attempted the question achieved a pass (that is a score of at least 20 out of 40 marks), representing a pass rate on the question of 71.4%. The lowest score was 10 whilst the highest was 35 out of the available 40 marks.

Part (a) required candidates to describe any four audit procedures to be performed as part of the desk audit assignment and was generally answered well.

Part (b) required candidates to evaluate four (4) non-compliance risks faced by the company and the related potential tax impact of each risk. Some candidates failed identify the relevant risks and therefore failed to provide the evaluation.

Part (c) required candidates to recommend suitable audit procedures to verify the Declared turnover, Employee costs, Consultancy fees paid to the foreign entity and The VAT refund claim. This part of the question was generally answered well.

Part (d) required candidates to evaluate three (3) ethical and professional issues likely to arise during the audit and design appropriate safeguards to manage each issue. Some candidates failed to identify the relevant ethical issues as well as recommend the appropriate safeguards.

QUESTION TWO

The general performance on this question was excellent. All the 7 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 100% was recorded. The highest score was 20 out of 20 marks while the lowest was 0.

The question was on the nature, purpose and scope of Tax Audits. It was divided into three parts; (a), (b) and (c).

Part (a) required candidates to explain the role of the tax audit and investigations function in optimizing the tax revenue collection for the Government of the Republic of Zambia. The common mistake was that most candidates did not explain how each of the roles will increase revenue for the government.

Part (b) required candidates to advise on any four key differences between tax audit and tax investigations. Most candidates had no difficulties with this part of the question.

Part (c) of the question required candidates to discuss with reasons, whether a tax investigation would be appropriate based on the issues discovered during review of the tax returns (in the scenario.)

QUESTION THREE

The general performance on this question was very poor. Of the 6 candidates that attempted the question no one managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 0% was recorded. The highest score was 9 out of 20 marks while the lowest was 3.

This question was on examination of financial Statements and application of audit techniques to audit Investigations. It was divided into two parts.

Part (a) required candidates to advise the directors of the company of the income tax and VAT implications of each of the errors in the scenario.

The challenges faced by most candidates were as follows:

- (i) Failure to understand the treatment of the provision free accommodation benefit to the CFO.
- (ii) Assuming that VAT input on petrol is partially exempt.

Part (b) required candidates to advise the directors of the company in the scenario on the penalties and interest on underpaid taxes.

Common mistakes made by candidates:

- (i) Failure to compute the number of days for which the VAT was paid late.
- (ii) Failure to compute the daily penalty for late payment of VAT.

QUESTION FOUR

The general performance on this question was very poor. 2 of the 6 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 33.3% was recorded. The highest score was 13 out of 20 marks while the lowest was 6.

This question covered examination of Financial Statements and Application of Audit Techniques to Audit Investigations. It was divided into two parts: (a) and (b).

In part (a) the candidate was provided with financial statements from which they were required to identify errors made by the tax accountant in the computation of taxable profit for the company and the correct tax treatment in each case.

Most candidates could only identify three or four errors out of the eight errors in the scenario.

Part (b) required a revised tax computation of the correct taxable income of the company and a computation of the tax payable for the tax year 2025.

The following errors were made by most candidates:

- (i) Failure to restrict taxable profits to 50% of taxable mining profits in the computation of loss relief.
- (ii) Failure to index the capital allowances on Mine locomotives and Mine excavation equipment.

- (iii) Failure to add back the disallowed portion on branded t-shirts. Only K100 is allowed per t-shirt. So the K350-K100 = K250 should have been added back.

QUESTION FIVE

The general performance on this question was very poor. Of the 2 candidates that attempted the question none managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 0% was recorded. The highest score was 8 out of 20 marks while the lowest was 4.

This question covered examination of Financial Statements and Application of Audit Techniques to Audit Investigations. It was divided into three parts; (a), (b) and (c).

Part (a) required a description of any three audit procedures which should be performed to assess the true level of income of the sole trader in the scenario given that he does not maintain a complete set of financial statements.

Most candidates had very few difficulties with part (a) of the question.

Part (b) required a determination of the correct amount of sales revenue made by the sole trader for the year ended 31st December 2025, using the bank deposits and cash expenditure method. Candidates were also required to advise on the type of tax that the sole trader is liable to pay.

Most candidates failed to calculate the correct amount of sales revenue made by the sole trader. However, they demonstrated an idea of the theory in their explanations.

Part (c) required a computation of the amount of taxable income and amount of income tax payable by the sole trader for the tax year 2025.

Mistakes made by candidates:

- (i) Use of 25% wear and tear allowance on the Toyota double cab van.
- (ii) Deduction of the sole traders' salary from the sales revenue to arrive at taxable business profits.

Overall performance of candidates

Highest mark obtained in this paper: 66%
Lowest mark obtained in this paper: 37%
Overall pass rate in this paper: 71.4%

SUBJECT: PGDT8 - TAX MANAGEMENT & PLANNING

QUESTION ONE

The general performance on this question was very good. 4 out of the 6 candidates that attempted the question achieved a pass (that is a score of at least 20 out of 40 marks), representing a pass rate on the question of 66.7%. The lowest score was 8 whilst the highest was 25 out of the available 40 marks.

The question covered tax planning and entrepreneurship.

In part (a), candidates were required to calculate the amount of income tax, NAPSA contributions and NHIMA contributions payable for the tax year 2025, assuming that the business is run as a sole proprietorship.

The following were the common mistakes made by candidates:

- (i) Failure to compute the correct taxable business profits because of wrongly computed deductions.
- (ii) Failure to compute the correct amounts of NAPSA contributions which were supposed to be restricted to a ceiling of K409,968.
- (iii) Failure to compute and deduct capital allowances from the business profits.
- (iv) Failure to compute the correct Skills development levy which was based on the employee's gross earnings.

In part (b), candidates were required to calculate the amount of income tax payable by each individual for the tax year 2025 assuming that the business is run as a partnership.

The following are the common mistakes made by candidates:

- (i) Failure to compute the correct adjusted business profit due to wrong deductions.
- (ii) Wrong allocation of profits among partners if the business was run as a partnership.
- (iii) Failure to compute the correct taxable profits for individual partners due to wrongly computed taxable business profits.
- (iv) Failure to compute the correct income tax payable by each partner.

In part (c), candidates were required to advise on whether the business should be run as a sole proprietorship or as a partnership.

The following were the common mistakes made by candidates:

- (i) Most candidates could not arrive at the correct net income owing to wrongly computed deductions.
- (ii) Some candidates had no idea on how to go about the question and lost all the marks.

In part (d), candidates were required to recommend any four (4) strategies that a newly established entrepreneurial tax practice can implement to ensure the sustainability and scalability of the firm over the next five (5) years.

The following were the common mistakes made by candidates:

- (i) The majority of candidates could not provide valid points to address the question for lack of knowledge.
- (ii) Some candidates ended up giving general points which were contrary to the requirements of the question.

QUESTION TWO

The general performance on this question was very poor. Only 1 of the 6 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 16.7% was recorded. The highest score was 10 out of 20 marks while the lowest was 5.

The question was on financial planning and arrangements. It was divided into two parts (a) and (b).

Part (a) was on the evaluation of the taxation implications of various financing options from the scenario.

The following challenges were experienced by most candidates:

- (i) Regarding the loan financing option most candidates failed to demonstrate that capital allowances are calculated on the VAT exclusive cost of the equipment.
- (ii) Regarding the Hire Purchase Financing option, there was failure to compute hire purchase interest.
- (iii) Regarding the operating lease financing option most candidates could not demonstrate that input VAT on operating lease rentals is recoverable.

Part (b) required candidates to advise one of the directors of the taxation implications arising from investing his savings in various investment options from the scenario.

The main challenge was that most candidates omitted to mention that there are no PTT implications on Treasury bills and certificates of deposit.

QUESTION THREE

The general performance on this question was very good. 2 of the 3 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 66.7% was recorded. The highest score was 12 out of 20 marks while the lowest was 4.

The question was on the tax treatment of groups. It was divided into two parts: (a) and (b).

Part (a) required candidates to advise the directors on the taxation implications of discontinuation of operations of one of the companies in the group. Candidates demonstrated a lack of knowledge of the relevant PTT, VAT & Income Tax implications and therefore failed to provide the required explanations.

In part (b) candidates were required to explain the taxation implications of an Indirect transfer of shares. Most candidates had shallow knowledge on the subject of indirect transfers and therefore failed to provide the required explanations.

QUESTION FOUR

The general performance on this question was good. All the 6 candidates that attempted the question managed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 100% was recorded. The highest score was 17 out of 20 marks while the lowest was 11.

This question covered taxation and investment policy. It was split into four parts.

Part (a) required an explanation of the importance of foreign direct investments to the Zambian economy.

There were no challenges from most candidates.

Part (b) required candidates to advise on the four tax incentives available to companies in the agriculture sector. No challenges were observed from candidates who attempted this part.

Part (c) required advice on any four fiscal incentives that will be available for any PPP projects that the foreign based company in the scenario will undertake with the Zambian company.

The response was poor. Most candidate's responses were shallow as they demonstrated a lack of knowledge of the tax incentives.

Part (d) required a discussion on the differences between tax planning and tax evasion, evaluating the ethical implications of engaging in each practice. Most candidates failed to illustrate tax planning. Since this was a discussional question examples of tax planning and avoidance were necessary especially since the examiner required differentiation of the two practices.

QUESTION FIVE

The general performance on this question was very poor. All the 3 candidates that attempted the question failed to obtain at least 10 marks out of a total of 20 available marks. A pass rate of 0% was recorded. The highest score was 9 out of 20 marks while the lowest was 4.

This question covered current issues and ethical issues in taxation. It was split into three parts.

Part (a) required an evaluation of the changes introduced by the income tax (Amendment) Act of 2024 in certain areas.

The first area was on the taxation of income from exports of non- traditional products. The second area covered the treatment of carried forward tax losses for businesses other than those engaged in mining operations.

Most responses provided by candidates were not satisfactory and Most candidates had challenges with explaining the policy rationale.

Part (b) required a description of key measures introduced by the VAT amendment act No. 23 of 2024, relating to compliance with smart invoice regulations and documentation requirements for valid input Tax claims explaining the policy rationale for each measure. Most candidates had a challenge explaining the mandatory upload of manually recorded transactions within 72 hours. This was due to lack of knowledge of the relevant provisions.

Part (c) required an explanation of the ethical and professional matters the firm in the scenario would face in providing tax services to a named company in the scenario. Most candidates identified the ethical and professional issues at hand.

Overall performance of candidates

Highest mark obtained in this paper: 59%

Lowest mark obtained in this paper: 28%

Overall pass rate in this paper: 50%