ACCA

Advanced Taxation

(ATX-UK)

Study Text

Finance Act 2025

for June 2026 to June 2027
examination sittings

British library cataloguing-in-publication data

A catalogue record for this book is available from the British Library.

Published by:

Kaplan Publishing UK
Unit 2 The Business Centre
Molly Millars Lane
Wokingham
Berkshire
RG41 2QZ

ISBN 978-1-83996-228-8

Printed and bound in Great Britain

Acknowledgements

We are grateful to the Association of Chartered Certified Accountants for permission to reproduce past examination questions. The answers have been prepared by Kaplan Publishing.

Contents

Introduction

How to use the Materials

These Kaplan Publishing learning materials have been carefully designed to make your learning experience as easy as possible and to give you the best chances of success in your examinations.

The product range contains a number of features to help you in the study process. They include:

(1) Detailed study guide and syllabus objectives

(2) Description of the examination

(3) Study skills and revision guidance

(4) Tax rates and allowances

(5) Study text or Integrated Workbook

(6) Question practice

The sections on the study guide, the syllabus objectives, the examination and study skills should all be read before you commence your studies. They are designed to familiarise you with the nature and content of the examination and give you tips on how to best to approach your learning.

The **Study Text** comprises the main learning materials and gives guidance as to the importance of topics and where other related resources can be found. Each chapter includes:

- The **learning objectives** contained in each chapter, which have been carefully mapped to the examining body's own syllabus learning objectives or outcomes. You should use these to check you have a clear understanding of all the topics on which you might be assessed in the examination.

- The **chapter diagram** provides a visual reference for the content in the chapter, giving an overview of the topics and how they link together.

- The **content** for each topic area commences with a brief explanation or definition to put the topic into context before covering the topic in detail. You should follow your studying of the content with a review of the illustration/s. These are worked examples which will help you to understand better how to apply the content for the topic.

- **Test your understanding** sections provide an opportunity to assess your understanding of the key topics by applying what you have learned to short questions. Answers can be found at the back of each chapter.

- **Summary diagrams** complete each chapter to show the important links between topics and the overall content of the exam. These diagrams should be used to check that you have covered and understood the core topics before moving on.

- **Question practice** is provided at the back of the text.

Quality and accuracy are of the utmost importance to us so if you spot an error in any of our products, please send an email to mykaplanreporting@kaplan.com with full details, or follow the link to the feedback form in MyKaplan.

Our Quality Coordinator will work with our technical team to verify the error and take action to ensure it is corrected in future editions.

Icon Explanations

Definition – Key definitions that you will need to learn from the core content.

Key point – Identifies topics that are key to success and are often examined.

Helpful tutor tips – These sections give tips on the examinability of topics and whether information is provided in the tax rates and allowances in the examination.

Supplementary reading – These sections will help to provide a deeper understanding of core areas. The supplementary reading is **NOT** optional reading. It is vital to provide you with the breadth of knowledge you will need to address the wide range of topics within your syllabus that could feature in an exam question. **Reference to this text is vital when self-studying.**

Test your understanding – Exercises for you to complete to ensure that you have understood the topics just learned.

Illustration – Worked examples help you understand the core content better.

Tricky topic – When reviewing these areas care should be taken and all illustrations and test your understanding exercises should be completed to ensure that the topic is understood.

New topic – This symbol indicates new areas of study, building on knowledge gained from previous studies or the introduction of a completely new topic.

Links to other syllabus areas – This symbol refers to areas of interaction with other parts of your syllabus, either in terms of other ACCA exams that you have studied, or may go on to study, or even further professional qualifications that you may decide to pursue on completion of ACCA.

Online subscribers

Our online resources are designed to increase the flexibility of your learning materials and provide you with immediate feedback on how your studies are progressing.

If you are subscribed to our online resources, you will find:

(1) Online reference material: reproduces your Study Text online, giving you anytime, anywhere access.

(2) Online testing: provides you with additional online objective testing so you can practice what you have learned further.

(3) Online performance management: immediate access to your online testing results. Review your performance by key topics and chart your achievement through the course relative to your peer group.

Ask your local student experience staff if you are not already a subscriber and wish to join.

Exam background

The aim of ACCA **Advanced Taxation (ATX-UK),** is to apply relevant knowledge and skills and exercise professional judgement in providing relevant information and advice to individuals and businesses on the impact of the major taxes on financial decisions and situations.

Main capabilities

On the successful completion of this exam candidates should be able to:

- Apply further knowledge and understanding of the UK tax system through the study of more advanced topics within the taxes studied previously and the study of stamp taxes.
- Identify and evaluate the impact of relevant taxes on various situations and courses of action, including the interaction of taxes.
- Provide advice on minimising and/or deferring tax liabilities by the use of standard tax planning measures.
- Apply a range of professional skills in addressing requirements within the ATX-UK exam, and in preparation for, or to support, current work experience.
- Apply employability and technology skills.

ACCA Performance Objectives

In order to become a member of the ACCA, as a trainee accountant you will need to demonstrate that you have achieved nine performance objectives. Performance objectives are indicators of effective performance and set the minimum standard of work that trainees are expected to achieve and demonstrate in the workplace. They are divided into key areas of knowledge which are closely linked to the exam syllabus.

There are 5 Essential performance objectives and a choice of 17 Technical performance objectives which are divided into seven areas.

The performance objectives which link to this exam are:

1 Ethics and professionalism (Essential)

2 Tax computations and assessments (Technical)

3 Tax compliance and verification (Technical)

4 Tax planning and advice (Technical)

The following link provides an in-depth insight into all of the performance objectives:

https://www.accaglobal.com/content/dam/ACCA_Global/Students/per/PER-Performance-objectives-achieve.pdf

Progression

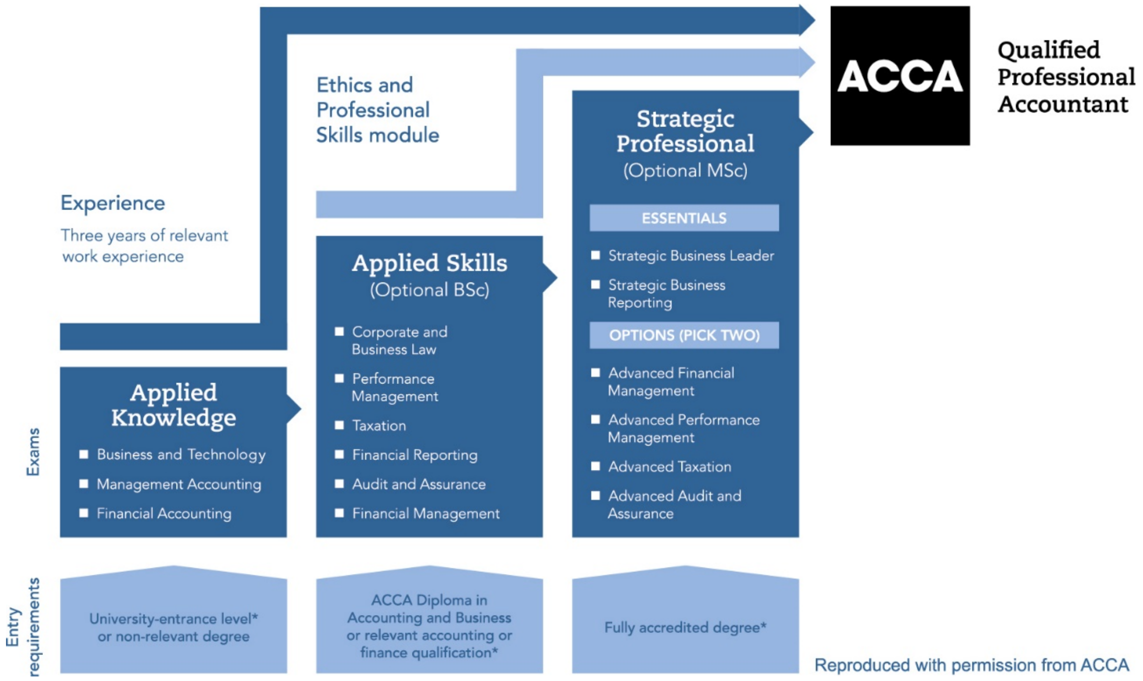
There are two elements of progression that we can measure: first how quickly students move through individual topics within a subject; and second how quickly they move from one course to the next. We know that there is an optimum for both, but it can vary from subject to subject and from student to student. However, using data and our experience of student performance over many years, we can make some generalisations.

A fixed period of study set out at the start of a course with key milestones is important. This can be within a subject, for example 'I will finish this topic by 30 June', or for overall achievement, such as 'I want to be qualified by the end of next year'.

Your qualification is cumulative, as earlier exams provide a foundation for your subsequent studies, so do not allow there to be too big a gap between one subject and another. We know that exams encourage techniques that lead to some degree of short-term retention, the result being that you will simply forget much of what you have already learned unless it is refreshed (look up Ebbinghaus Forgetting Curve for more details on this). This makes it more difficult as you move from one subject to another: not only will you have to learn the new subject, you will also have to relearn all the underpinning knowledge as well. This is very inefficient and slows down your overall progression which makes it more likely you may not succeed at all.

In addition, delaying your studies slows your path to qualification which can have negative impacts on your career, postponing the opportunity to apply for higher level positions and therefore higher pay.

You can use the following diagram showing the whole structure of your qualification to help you keep track of your progress.



Reproduced with permission from ACCA

Syllabus objectives

We have reproduced the ACCA's syllabus below, showing where the objectives are explored within this book. Within the chapters, we have broken down the extensive information found in the syllabus into easily digestible and relevant sections, called Content Objectives. These correspond to the objectives at the beginning of each chapter.

Syllabus learning objective				Chapter reference
A	**APPLY FURTHER KNOWLEDGE AND UNDERSTANDING OF THE UK TAX SYSTEM THROUGH THE STUDY OF MORE ADVANCED TOPICS WITHIN THE TAXES STUDIED PREVIOUSLY AND THE STUDY OF STAMP TAXES**			
(1)	**Income and income tax liabilities in situations involving further overseas aspects and in relation to trusts, and the application of exemptions and reliefs**			
	(a)	The contents of the Taxation – United Kingdom (TX-UK) study guide for income tax and national insurance, under headings:[2]		
		–	B1 The scope of income tax	
		–	B2 Income from employment	
		–	B3 Income from self-employment	
		–	B4 Property and investment income	
		–	B5 The comprehensive computation of taxable income and income tax liability	
		–	B6 National insurance contributions for employed and self-employed persons	
		–	B7 The use of exemptions and reliefs in deferring and minimising income tax liabilities	
		The following additional material is also examinable:		
	(b)	The scope of income tax:[3]		
		(i)	Explain and apply the concept of residence and advise on its relevance to income tax	**20**
		(ii)	Advise on the availability of the foreign income and gains (FIG) regime for qualifying UK tax resident individuals as it relates to income tax.	**20**
		(iii)	Advise on the tax position of individuals coming to and leaving the UK	**20**
		(iv)	Determine the income tax treatment of overseas income from trading, employment and investment	**20**
		(v)	Understand the relevance of the OECD model double tax treaty to given situations	**20**
		(vi)	Calculate and advise on the double taxation relief available to individuals	**20**

Syllabus learning objective			Chapter reference
(c)	Income from employment:[3]		
	(i)	Advise on the tax treatment of share option and share incentive schemes	**17**
	(ii)	Advise on the tax treatment of lump sum receipts	**17**
	(iii)	Identify personal service companies and advise on the tax consequences of services being provided via a personal service company	**24**
(d)	Income from self-employment:[3]		
	(i)	Advise on the relief available for trading losses following the transfer of a business to a company	**22**
	(ii)	Advise on the allocation of the annual investment allowance between related businesses	**21**
(e)	Property and investment income:[3]		
	(i)	Advise on the tax implications of jointly held assets	**16**
	(ii)	Recognise the tax treatment of savings income paid net of tax	**16**
	(iii)	Income from trusts and settlements: Understand the income tax position of trust beneficiaries	**13**
(f)	The comprehensive computation of taxable income and the income tax liability:[3]		
	(i)	Understand the allocation of the personal allowance to different categories of income	**16**
	(ii)	Advise on the income tax position of the income of minor children	**16**
(g)	The use of exemptions and reliefs in deferring and minimising income tax liabilities:		
	(i)	Understand and apply the rules relating to investments in the seed enterprise investment scheme and the enterprise investment scheme[3]	**18**
	(ii)	Understand and apply the rules relating to investments in venture capital trusts[3]	**18**
	(iii)	Recognise the threshold level of income below which tapering of the pensions annual allowance does not apply[2]	**19**

Syllabus learning objective	Chapter reference
(2) **Chargeable gains and capital gains tax liabilities in situations involving further overseas aspects and in relation to closely related persons and trusts together with the application of additional exemptions and reliefs**	
(a) The contents of the Taxation – United Kingdom (TX-UK) study guide for chargeable gains for individuals under headings:[2]	
– C1 The scope of the taxation of capital gains	
– C2 The basic principles of computing gains and losses	
– C3 Gains and losses on the disposal of movable and immovable property	
– C4 Gains and losses on the disposal of shares and securities	
– C5 The computation of capital gains tax	
– C6 The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets	
The following additional material is also examinable:	
(b) The scope of the taxation of capital gains:[3]	
(i) Determine the tax implications of independent taxation and transfers between spouses	**7**
(ii) Explain and apply the concept of residence and advise on its relevance to capital gains tax	**20**
(iii) Advise on the availability of the foreign income and gains (FIG) regime for qualifying UK tax resident individuals as it relates to capital gains tax	**20**
(iv) Determine the UK taxation of foreign gains, including double taxation relief	**20**
(v) Conclude on the capital gains tax position of individuals coming to and leaving the UK	**20**
(vi) Advise on the UK taxation of gains on the disposal of UK land and buildings owned by non-residents	**20**
(vii) Identify the occasions when a capital gain would arise on a partner in a partnership on the disposal of a partnership asset	**23**

Syllabus learning objective			Chapter reference
(c)	Capital gains tax and trusts:		
	(i)	Advise on the capital gains tax implications of transfers of property into trust[3]	**6, 13**
	(ii)	Advise on the capital gains tax implications of property passing absolutely from a trust to a beneficiary[2]	**13**
(d)	The basic principles of computing gains and losses:[3]		
	(i)	Identify connected persons for capital gains tax purposes and advise on the tax implications of transfers between connected persons	**7**
	(ii)	Advise on the impact of dates of disposal	**7**
	(iii)	Evaluate the use of capital losses in the year of death	**6**
(e)	Gains and losses on the disposal of movable and immovable property:[3]		
	(i)	Extend the explanation of part disposals to include small part disposals of land	**7**
	(ii)	Determine the gain on the disposal of leases and wasting assets	**7**
	(iii)	Extend the explanation of the treatment of assets damaged, lost or destroyed to include capital sums received	**7**
	(iv)	Advise on the tax effect of making negligible value claims	**6**
(f)	Gains and losses on the disposal of shares and securities:[3]		
	(i)	Extend the explanation of the treatment of rights issues to include the small part disposal rules applicable to rights issues	**8**
	(ii)	Define a qualifying corporate bond (QCB) and understand what makes a corporate bond non-qualifying	**8**
	(iii)	Understand the capital gains tax implications of the disposal of QCBs in exchange for cash or shares	**8**
	(iv)	Apply the rules relating to reorganisations, reconstructions and amalgamations and advise on the most tax efficient options available in given circumstances	**8**
	(v)	Establish the relief for capital losses on shares in unquoted trading companies	**8**

Syllabus learning objective	Chapter reference
(g) The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets:[3]	
(i) Understand and apply enterprise investment scheme reinvestment relief	**18**
(ii) Understand and apply seed enterprise investment scheme reinvestment relief	**18**
(iii) Advise on the availability of business asset disposal relief in relation to associated disposals	**9**
(iv) Understand and apply the relief that is available on the transfer of an unincorporated business to a limited company	**22**
(v) Understand the capital gains tax implications of the variation of wills	**12**
(3) **Inheritance tax in situations involving further aspects of the scope of the tax and the calculation of the liabilities arising, the principles of valuation and the reliefs available, transfers of property to and from trusts, overseas aspects and further aspects of administration**	
(a) The contents of the Taxation – United Kingdom (TX-UK) study guide for inheritance tax under headings:[2]	
– D1 The basic principles of computing transfers of value	
– D2 The liabilities arising on the chargeable lifetime transfers and on the death of an individual	
– D3 The use of exemptions in deferring and minimising inheritance tax liabilities	
– D4 Payment of inheritance tax	
The following additional material is also examinable:	
(b) The scope of inheritance tax:	
(i) Explain the concept of long-term UK residence and understand the application of this concept to inheritance tax[2]	**10, 12**
(ii) Identify excluded property[2]	**10**
(iii) Identify and advise on the tax implications of the location of assets[3]	**12**
(iv) Identify and advise on gifts with reservation of benefit[3]	**12**

Syllabus learning objective			Chapter reference
(c)	The basic principles of computing transfers of value:		
	(i)	Advise on the principles of valuation including the related property rules[3]	**11**
	(ii)	Advise on the availability of business property relief and agricultural property relief[3]	**11**
	(iii)	Identify exempt transfers[2]	**10**
(d)	The liabilities arising on chargeable lifetime transfers and on the death of an individual:[3]		
	(i)	Advise on the tax implications of chargeable lifetime transfers	**10**
	(ii)	Advise on the tax implications of transfers within seven years of death	**10**
	(iii)	Advise on the tax liability arising on a death estate	**11**
	(iv)	Understand and apply the tapered withdrawal of the residence nil rate band where the net value of the estate exceeds £2 million	**10**
	(v)	Advise on the relief for the fall in value of lifetime gifts	**10**
	(vi)	Advise on the operation of quick succession relief	**11**
	(vii)	Advise on the operation of double tax relief for inheritance tax	**12**
	(viii)	Advise on the inheritance tax effects and advantages of the variation of wills	**12**
	(ix)	Advise on the reduced rate of inheritance tax payable when a proportion of a person's estate is bequeathed to charity	**11**
(e)	The liabilities arising in respect of transfers to and from trusts and on property within trusts:		
	(i)	Define a trust[2]	**13**
	(ii)	Distinguish between different types of trust[3]	**13**
	(iii)	Advise on the inheritance tax implications of transfers of property into trust[3]	**13**
	(iv)	Advise on the inheritance tax implications of property passing absolutely from a trust to a beneficiary[2]	**13**
	(v)	Identify the occasions on which inheritance tax is payable by trustees[3]	**13**

Syllabus learning objective	Chapter reference
(f) The use of exemptions and reliefs in deferring and minimising inheritance tax liabilities:[3]	
(i) Advise on the use of reliefs and exemptions to minimise inheritance tax liabilities, as mentioned in the sections above	**10, 11, 12, 13**
(g) The system by which inheritance tax is administered, including the instalment option for the payment of tax:	
(i) Identify the occasions on which inheritance tax may be paid by instalments[2]	**12**
(ii) Advise on the due dates, interest and penalties for inheritance tax purposes[3]	**12**
(4) **Corporation tax liabilities in situations involving further overseas and group aspects and in relation to special types of company, and the application of additional exemptions and reliefs**	
(a) The contents of the Taxation – United Kingdom (TX-UK) study guide, for corporation tax, under headings:[2]	
– E1 The scope of corporation tax	
– E2 Taxable total profits	
– E3 Chargeable gains for companies	
– E4 The comprehensive computation of corporation tax liability	
– E5 The effect of a group corporate structure for corporation tax purposes	
– E6 The use of exemptions and reliefs in deferring and minimising corporation tax liabilities	
The following additional material is also examinable:	
(b) The scope of corporation tax:[3]	
(i) Identify and calculate corporation tax for companies with investment business	**2**
(ii) Close companies:	
– Apply the definition of a close company to given situations	**24**
– Conclude on the tax implications of a company being a close company or a close investment holding company	**24**

Syllabus learning objective			Chapter reference
	(iii)	Identify and evaluate the significance of accounting periods on administration or winding up	**1**
	(iv)	Conclude on the tax treatment of returns to shareholders after winding up has commenced	**24**
	(v)	Advise on the tax implications of a purchase by a company of its own shares	**24**
	(vi)	Identify personal service companies and advise on the tax consequences of services being provided via a personal service company	**24**
(c)	Taxable total profits:[3]		
	(i)	Identify qualifying research and development expenditure, both capital and revenue, and determine the relief available	**2**
	(ii)	Determine the tax treatment of non-trading deficits on loan relationships	**3**
	(iii)	Recognise the alternative tax treatments of intangible assets and conclude on the best treatment for a given company	**2**
	(iv)	Advise on the impact of the transfer pricing and thin capitalisation rules on companies	**2**
	(v)	Advise on the restriction on the use of losses on a change in ownership of a company	**3**
	(vi)	Identify the restriction on carried forward trading losses and capital losses for companies with profits over £5 million	**3**
(d)	The comprehensive calculation of the corporation tax liability:[3]		
	(i)	Assess the impact of the OECD model double tax treaty on corporation tax	**5**
	(ii)	Evaluate the meaning and implications of a permanent establishment	**5**
	(iii)	Identify and advise on the tax implications of controlled foreign companies	**5**
	(iv)	Advise on the tax position of overseas companies trading in the UK	**5**
	(v)	Calculate double taxation relief	**5**

Syllabus learning objective				Chapter reference
	(e)	The effect of a group structure for corporation tax purposes:[3]		
		(i)	Advise on the allocation of the annual investment allowance between group or related companies	**2**
		(ii)	Advise on the tax consequences of a transfer of intangible assets	**4**
		(iii)	Advise on the tax consequences of a transfer of a trade and assets where there is common control	**4**
		(iv)	Understand the meaning of consortium owned company and consortium member	**4**
		(v)	Advise on the operation of consortium relief	**4**
		(vi)	Determine pre-entry losses and understand their tax treatment	**4**
		(vii)	Determine the degrouping charge where a company leaves a group within six years of receiving an asset by way of a no gain/no loss transfer	**4**
		(viii)	Determine the effects of the anti-avoidance provisions, where arrangements exist for a company to leave a group	**4**
		(ix)	Advise on the tax treatment of an overseas branch	**5**
	(f)	The use of exemptions and reliefs in deferring and minimising corporation tax liabilities:[3]		
		(i)	Determine the application of the substantial shareholdings exemption	**2**
(5)	**Stamp taxes (stamp duty, stamp duty reserve tax, and stamp duty land tax)**			
	(a)	The scope of stamp taxes:[3]		
		(i)	Identify the property in respect of which stamp taxes are payable	**6, 8**
	(b)	Identify and advise on the liabilities arising on transfers:[3]		
		(i)	Advise on the stamp taxes payable on transfers of shares and securities	**8**
		(ii)	Advise on the stamp taxes payable on transfers of land	**6**

Syllabus learning objective	Chapter reference
(c) The use of exemptions and reliefs in deferring and minimising stamp taxes:[3]	
(i) Identify transfers involving no consideration	**6, 8**
(ii) Advise on group transactions	**4**
(6) **Value added tax, tax administration and the UK tax system:**	
(a) The contents of the Taxation – United Kingdom (TX-UK) study guide for value added tax (VAT) under headings: [2]	
– F1 The VAT registration requirements	
– F2 The computation of VAT liabilities	
– F3 The effect of special schemes	
The following additional material is also examinable: [3]	
(i) Advise on the VAT implications of the supply of land and buildings in the UK	**26**
(ii) Advise on the VAT implications of partial exemption	**26**
(iii) Advise on the application of the capital goods scheme	**26**
(b) The contents of the Taxation – United Kingdom (TX-UK) study guide for the UK tax system and its administration under headings: [2]	
– A1 The overall function and purpose of taxation in a modern economy	
– A2 Principal sources of revenue law and practice	
– A3 The systems for self-assessment and the making of returns	
– A4 The time limits for the submission of information, claims and payment of tax, including payments on account	
– A5 The procedures relating to compliance checks, appeals and disputes	
– A6 Penalties for non-compliance	
The following additional material is also examinable: [2]	
(i) Advise on the increased penalties which apply in relation to offshore matters	**14**

Syllabus learning objective				Chapter reference
B	**THE IMPACT OF RELEVANT TAXES ON VARIOUS SITUATIONS AND COURSES OF ACTION, INCLUDING THE INTERACTION OF TAXES**			
(1)	**Identify and advise on the taxes applicable to a given course of action and their impact.[3]**			**4, 12, 21, 22, 24**
(2)	**Identify and understand that the alternative ways of achieving personal or business outcomes may lead to different tax consequences.**			**4, 21, 22**
	(a)	Calculate the receipts from a transaction, net of tax and compare the results of alternative scenarios and advise on the most tax efficient course of action.[3]		**21**
(3)	**Advise how taxation can affect the financial decisions made by businesses (corporate and unincorporated) and by individuals.**			
	(a)	Understand and compare and contrast the tax treatment of the sources of finance and investment products available to individuals.[3]		**18**
	(b)	Understand and explain the tax implications of the raising of equity and loan finance.[3]		**25**
	(c)	Explain the tax differences between decisions to lease, use hire purchase or purchase outright.[3]		**25**
	(d)	Understand and explain the impact of taxation on the cash flows of a business.[3]		**1, 25**
(4)	**Assess the tax advantages and disadvantages of alternative courses of action.[3]**			**4, 12, 21, 22, 24**
(5)	**Understand the statutory obligations imposed in a given situation, including any time limits for action and advising on the implications of non-compliance.[3]**			**3, 4, 15, 21, 24, 27**

Syllabus learning objective			Chapter reference
C	**MINIMISE AND/OR DEFER TAX LIABILITIES BY THE USE OF STANDARD TAX PLANNING MEASURES**		
(1)	**Identify and advise on the types of investment and other expenditure that will result in a reduction in tax liabilities for an individual and/or a business.[3]**		**18, 21, 24, 25**
(2)	**Advise on legitimate tax planning measures, by which the tax liabilities arising from a particular situation or course of action can be mitigated.[3]**		**3, 4, 12, 18, 21, 22, 24**
(3)	**Advise on the appropriateness of such investment, expenditure or measures given a particular taxpayer's circumstances or stated objectives.[3]**		**4, 18, 21, 24**
(4)	**Advise on the mitigation of tax in the manner recommended by reference to numerical analysis and/or reasoned argument.[3]**		**3, 4, 18, 21, 24**
(5)	**Be aware of the ethical and professional issues arising from the giving of tax planning advice.[3]**		**14, 24**
D	**PROFESSIONAL SKILLS**		
(1)	**Communication**		
	(a)	Inform concisely, objectively and unambiguously, adopting a suitable style and format, using appropriate technology.[3]	**28**
	(b)	Advise using compelling and logical arguments, demonstrating the ability to counter argue where appropriate.[3]	**28**
	(c)	Clarify and simplify complex issues to convey relevant information in a way that adopts an appropriate tone and is easily understood and reflects the requirements of the intended audience.[3]	**28**
(2)	**Analysis and evaluation**		
	(a)	Investigate relevant information from a range of sources, using appropriate analytical techniques to establish reasons and causes of issues, assist in decision-making and to identify opportunities or solutions.[3]	**28**
	(b)	Consider information, evidence and findings carefully, reflecting on their implications and how they can be used to best support the interests of the individual, entity or wider business organisation.[3]	**28**

Syllabus learning objective			Chapter reference
	(c)	Assess and apply appropriate judgement when considering ethical, professional or other technical issues; when making conclusions or recommendations, taking into account the implications of such decisions on the entity or individual affected.[3]	**28**
	(d)	Appraise information objectively in order to effectively prioritise issues; identifying missing information and exploring suitable alternatives when making decisions, devising courses of action or providing conclusions or recommendations.[3]	**28**
	(e)	Communicate conclusions reached, together, where necessary with relevant supporting computations.[3]	**28**
(3)	**Scepticism**		
	(a)	Explore the underlying reasons for issues, applying an attitude of a questioning mind where appropriate, beyond what is immediately apparent.[3]	**28**
	(b)	Question opinions, assertions and assumptions, by seeking justifications and obtaining sufficient evidence for either their support and acceptance or rejection.[3]	**28**
	(c)	Challenge and critically assess the information presented or decisions or recommendations made, where this is clearly justified, in the wider professional, ethical, organisational or public interest.[3]	**28**
	(d)	State and explain assumptions made or limitations in the analysis provided; together with any inadequacies in the information available and/or additional information required to provide a fuller analysis.[3]	**28**
(4)	**Commercial acumen**		
	(a)	Demonstrate awareness of organisational and external and other non-tax factors which will affect decisions with regard to tax taken by an individual or entity.[3]	**28**
	(b)	Recognise key issues in a given scenario and use judgement in proposing and recommending commercially viable solutions.[3]	**28**
	(c)	Offer solutions which are practical and commercial in the context of the scenario being considered.[3]	**28**
	(d)	Show insight and perception in understanding key tax drivers of an individual or entity, demonstrating acumen in arriving at appropriate recommendations.[3]	**28**

Syllabus learning objective		Chapter reference
E	**EMPLOYABILITY AND TECHNOLOGY SKILLS**	
(1)	**Use computer technology to efficiently access and manipulate relevant information**	**29**
(2)	**Work on relevant response options, using available functions and technology, as would be required in the workplace**	**29**
(3)	**Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools**	**29**
(4)	**Present data and information effectively, using the appropriate tools**	**29**

The superscript numbers in square brackets indicate the intellectual level at which the subject area could be assessed within the examination.

Level 1 (knowledge and comprehension) broadly equates with the Applied Knowledge level.

Level 2 (application and analysis) with the Applied Skills level.

Level 3 (synthesis and evaluation) to the Strategic Professional level.

However, lower level skills can continue to be assessed as you progress through each level.

The Examination

Examination format

The exam will feature three multi-tax questions. An analysis of the marks available for each of these questions is set out below:

	Section A	Section B		
	Q1	Q2	Q3	Total
Technical marks	40	20	20	80
Professional skills marks	10	5	5	20
	50	25	25	100

The Section A question will be a case-study consisting of a number of exhibits. The 50 marks will comprise of 35 technical marks, 5 ethics marks and 10 professional skills marks.

The two compulsory Section B questions will generally consist of a single exhibit of information and a set of requirements.

Candidates will be expected to undertake both calculation and narrative work. The questions will be scenario based and may involve consideration of more than one tax, some elements of planning and the interaction of taxes.

Tax rates, allowances and information on certain reliefs will be given in the exam.

Total time allowed: 3 hours and 15 minutes.

The pass mark is 50%.

Remote invigilated exams

In certain geographical areas it may be possible for you to take your exam remotely. This option, which is subject to strict conditions, can offer increased flexibility and convenience under certain circumstances. Further guidance, including the detailed requirements and conditions for taking the exam by this method, is contained on ACCA's website at https://www.accaglobal.com/an/en/student/exam-entry-and-administration/about-our-exams/remote-exams/remote-session-exams.html.

Professional skills

The 20 professional skills marks will be awarded for demonstrating the following skills:

- Communication
- Analysis and evaluation
- Scepticism
- Commercial acumen

The Section A question will examine all four of these skills.

The Section B questions will examine a combination of professional skills appropriate to the particular question. Each one will examine a minimum of two professional skills from analysis and evaluation, scepticism and commercial acumen. Communication skills will not be examined in Section B.

Examination tips

In addition to reading the tips contained here, we recommend that you review Chapter 29 of the Study Text and the resources available on the ACCA Global Website before sitting the CBE. Here you will find guidance documents, videos and a link to the CBE question practice platform.

Before the exam starts

You will be given ten minutes to read the introductory page and the four pages of instructions. These will be the same for each ATX exam and therefore it is important that you familiarise yourself with these (using the ACCA practice exams) during your revision. The exam time (3 hours and 15 minutes) will start automatically at the end of the 10 minutes, or earlier if actioned by you.

Time allocation

The time allowed for this exam is 3 hours and 15 minutes (195 minutes).

Read each question carefully, reviewing the format and content of the requirements so that you understand what you need to do.

There are 80 technical marks and 20 professional skills marks. **Professional skills marks should be achieved as you work through the technical marks.**

If 15 minutes are spent reading the examination requirements (it may be sensible to allocate time to this), your time allocation should be 2.25 minutes per mark (180/80). This gives 90 minutes for section A and 45 minutes for each section B question.

If you do not allow a specific amount of time for reading and planning (a more straightforward approach but the risk is that you run out of time) your time allocation will be 2.4 minutes per mark (195/80). This gives 97 minutes for section A and 49 minutes for each section B question.

If you plan to spend more or less time on reading and planning, your time allocation per mark will be different.

Planning your answers

When the exam starts you should spend a few minutes skimming through each question to get a feel for what is included.

Once you have done this carry out an initial review of Section A. This will include a number of **exhibits** breaking down the scenario into relevant sections and including the detailed requirement in an 'email from your manager'. It will also include a list of the summarised **requirements,** which is given in the 'background information, and an option to complete your answer in a **word processing** document and/or a **spreadsheet** document.

You can move around and resize the windows that you open to lay the screen out in a format that suits you.

Now copy and paste the specifics of the requirement into your answer document, perhaps highlighting in bold the different parts of the requirement and the verb used. Once complete, review the exhibits in detail, highlighting and making notes as you do so, and copy and pasting any relevant information to your answer document. These steps will help with your planning and structure but will also enable you to minimise the number of windows you have open.

A date assumption will be given at the start of each question. You should pay careful attention to this date and the timing of events noted in the scenario in relation to it. Some events may have already happened, whereas others may be planned for the future. For events which have already occurred reliefs may still be able to be claimed, but you need to consider if the relevant claim date has already passed. For future events there could be tax planning implications that could be discussed.

You can use the scratch pad to make notes as part of your planning, however any notes made here will not be marked. Candidates sitting via remote invigilation do not have the opportunity to use scrap paper and so the scratch pad is the only place rough workings or planning can be completed.

The procedure will be similar for Section B.

Completing your answers

Start by revisiting the relevant exhibits for each requirement.

Stick to the question and **tailor your answer** to what you are asked. Pay particular attention to the verbs in the question (e.g. calculate, explain, advise, state, conclude).

Remember that the aim is to produce a professional and easy to read answer.

You should do everything you can to make things easy for the marker. The marker will find it easier to identify the points you have made if your answers are clearly set out and use appropriate headings.

Computations: For calculations and numerical work, use a logical and well laid out structure in a spreadsheet. Many computational questions require the use of a standard format. Be sure you know these formats thoroughly before the examination and use the layouts that you see in the answers given in this book and in model answers.

It is essential to include all your workings in your answers. Adopt a logical approach and cross reference workings to the main computation to keep your answer tidy and organised. Calculations should be labelled and referenced in to any relevant discussion in the word processor.

Written answers: For discursive answers, the word processor should be used and answers should include bold headings and sub-headings and professional language. Ensure all aspects of the requirement are addressed in a sensible and balanced way. It is vital that you relate your answer to the specific circumstances given.

Communication of information

It is important to use the appropriate format for the communication of information, both in real life and in the examination.

In the Section A scenario-type exam question, the examining team will tell you to present your answer in a specific format.

Reports, memos and other documents: Some questions ask you to present your answer in the form of a report or a memo or other document. So use the correct format – there are easy professional skills marks to gain here for communication.

Notes in preparation for a meeting: Some questions will ask candidates to produce notes in preparation for a meeting with a client or colleagues. These notes should be well organised with headings for different areas covered. They do not need to be in any specific format but should be easy to follow and logical.

The scenario questions are often open-ended, and will usually require you to analyse information, work through a series of steps and provide advice. Sometimes you may be advising a client directly, or you may be providing information to your manager in preparation for a meeting with a client.

You may have to state assumptions if incomplete information is provided and may have to identify further information to be requested from your client. This demonstrates the professional skill of scepticism. If you are asked to conclude, it is important that you do so – this shows the professional skill of analysis and evaluation. Label your conclusion clearly so that is easy for the marker to see.

If you **get completely stuck** with a question, leave space in your answer and **return to it later.** You can attempt the questions in any order that you wish.

If you do not understand what a question is asking, state your assumptions. Even if you do not answer in precisely the way the examining team would hope for, you should be given some credit, if your assumptions are reasonable.

Finally, leave enough time to read through the answers, ensuring they are clear and organised, and to make any necessary changes.

The questions provided in Chapter 30 at the end of this material are not full examination standard questions but will enable you to build up to answering such questions. Most ‘real’ examination questions are multi-tax questions.

Full examination questions and answers with detailed guidance on how to approach each individual scenario, ‘walk through’ answers with tips and tutorial notes can be found in the Kaplan Publishing exam kit.

Strategic Professional CBE

It is essential that you become familiar with the CBE environment as part of your exam preparation. For additional support please refer to the ACCA Global website.

Study skills and revision guidance

This section aims to give guidance on how to study for your ACCA exams and to give ideas on how to improve your existing study techniques.

Preparing to study

Set your objectives

Before starting to study, decide what you want to achieve – the type of pass you wish to obtain. This will decide the level of commitment and time you need to dedicate to your studies.

Devise a study plan

Determine which times of the week you will study.

Split these times into sessions of at least one hour for study of new material. Any shorter periods could be used for revision or practice.

Put the times you plan to study onto a study plan for the weeks from now until the exam and set yourself targets for each period of study – in your sessions make sure you cover the course, course assignments and revision.

If you are studying for more than one exam at a time, try to vary your subjects as this can help you to keep interested and see subjects as part of wider knowledge.

When working through your course, compare your progress with your plan and, if necessary, re-plan your work (perhaps including extra sessions) or, if you are ahead, do some extra revision/practice questions.

Effective studying

Active reading

You are not expected to learn the text by rote. However, you do need to learn the tax rules and have a firm grasp of a considerable amount of detail (e.g. the conditions to be satisfied). You must also understand what you are reading and be able to use the rules to pass the exam and develop good practice.

A good technique to use is SQ3Rs – Survey, Question, Read, Recall, Review:

(1) **Survey the chapter** – look at the headings and read the introduction, summary and objectives, so as to get an overview of what the chapter deals with.

(2) **Question** – whilst undertaking the survey, ask yourself the questions that you hope the chapter will answer for you.

(3) **Read** – through the chapter thoroughly, answering the questions and making sure you can meet the objectives. Attempt the exercises and activities in the text, and work through all the examples.

(4) **Recall** – at the end of each section and at the end of the chapter, try to recall the main ideas of the section/chapter without referring to the text. This is best done after a short break of a couple of minutes after the reading stage.

(5) **Review** – check that your recall notes are correct, and make sure you have retained the facts and sufficient level of detail.

You may also find it helpful to re-read the chapter to try to see the topic(s) it deals with as a whole.

Note taking

Taking notes is a useful way of learning, but do not simply copy out the text. The notes must:

- be in your own words
- be concise
- cover the key points
- be well organised
- be modified as you study further chapters in this text or in related ones.

Trying to summarise a chapter without referring to the text can be a useful way of determining which areas you know and which you don't.