



**INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS OF  
UGANDA**

# **CERTIFIED TAX ADVISOR (CTA) EXAMINATIONS SYLLABUS 2023**

**ISSUED JANUARY 2022**

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# CTA EXAMINATIONS SYLLABUS STRUCTURE 2023

<b>LEVEL III</b>		Tax Practice <b>Paper 11</b>		
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<b>LEVEL I</b>	Business Accounting 1 <b>Paper 1</b>			International Tax <b>Paper 10</b>
		Business Law <b>Paper 2</b>	Principles Taxation <b>Paper 3</b>	Managerial Economics & Public Finance <b>Paper 4</b>

# BACKGROUND INFORMATION

## 1.0 INSTITUTE'S PROFILE

### 1.1 Legal Background

The Institute of Certified Public Accountants of Uganda (ICPAU) was established in 1992 by an Act of Parliament, now The Accountants Act, 2013. ICPAU is governed by a Council, which is assisted by the Public Accountants Examinations Board (PAEB), and other committees of Council.

The functions of the Institute, as prescribed by the Accountants Act, 2013 are:

- (a) To regulate and maintain the standard of accountancy in Uganda;
- (a) To prescribe and regulate the conduct of accountants and practicing accountants in Uganda.

ICPAU is a member of the International Federation of Accountants (IFAC) and the Pan African Federation of Accountants (PAFA).

### 1.2 Vision

To be a world-class professional accountancy Institute

### 1.3 Mission

To develop, promote and regulate the accountancy profession in Uganda, in public interest.

## **1.4 Core Values**

- (a) Professional excellence
- (b) Accountability
- (c) Integrity
- (d) Innovation

## **1.5 Public Accountants Examinations Board (PAEB)**

As part of the function of regulating and maintaining the standard of accountancy, ICPAU conducts examinations in Uganda. This function is executed by the PAEB on behalf of Council.

PAEB is responsible for conducting the:

- (a) Certified Public Accountants of Uganda - CPA(U) examinations. .
- (b) Accounting Technicians Diploma - ATD examinations.
- (c) Certified Tax Advisor - CTA examinations

## **2.0 CERTIFIED TAX ADVISOR (CTA) COURSE**

### **2.1 Purpose of the CTA Course**

To produce competent tax advisors or experts who will contribute to the economic development of the country.

### **2.2 Objectives of the CTA Course**

To equip learners with:

- (a) An in-depth knowledge and understanding of the concepts and principles of taxation.
- (b) The ability to solve practical problems which draw on the interaction of different taxes as well as case law.
- (c) The ability to embrace professional ethics and efficiency in tax administration and practice.

- (d) The ability to promote and co-ordinate research for the advancement of taxation in Uganda.

### **3.0 ENTRY REQUIREMENTS:**

To register as a CTA student, one must have one of the following qualifications:

- (a) A professional accountancy qualification
- (b) A degree from a recognized institution of higher learning

### **4.0 REGISTRATION FOR STUDENTSHIP**

- 4.1 Registration of students is continuous throughout the year.
- 4.2 Applications must be made online on the ICPAU portal: [www.icpau.co.ug](http://www.icpau.co.ug).  
Please follow the link: [https://icpauportal.com/index.php/online/online\\_application/index/student](https://icpauportal.com/index.php/online/online_application/index/student) for registration and any other necessary information

**Note:**

- 1. *ICPAU reserves the right not to register and/or de-register any student who, in their opinion, is not a fit and proper person for the accountancy profession in Uganda.*
- 2. *It is advisable for any applicant who wishes to sit examinations for any diet to register for studentship at least 2 months to the immediate examinations diet.*

### **5.0 MODE OF EXAMINATIONS**

The Public Accountants Examinations Board reserves the right to conduct written, practical and computer based examinations.

## 6.0 EXAMINATIONS RULES AND REGULATIONS

The Accountants (Examinations) Rules, 2022 are available on <https://www.icpau.co.ug/resources/icpau-accountants-examinations-rules-2022-final>

## 7.0 KEY TO LEARNING OUTCOMES

The learning outcomes are organised into six hierarchical levels. They move from the lowest level (knowledge) through to the highest level (evaluation). The levels are identified within the syllabus for each learning outcome within a subject and the meaning of each level is described below:

Knowledge (K)	Recalling of facts and ideas previously learnt.
Comprehension (C)	Demonstrating an understanding of facts and ideas by organising, comparing, translating, interpreting, giving descriptions and stating main ideas.
Application (A)	This refers to usage of knowledge and skills to solve problems. The acquired knowledge, facts, techniques and rules applied in various ways to create new situations.
Analysis (An)	Examine and break information into parts by identifying motives or causes. Make inferences and find evidence to support generalisations.
Synthesis (S)	Compile information together in a different way by combining elements in a new pattern or proposing alternative solutions.
Evaluation (E)	Ability to judge the value of material, at hand, for a given purpose.



# LEVEL 1

## BUSINESS ACCOUNTING 1

# PAPER 1

### **OVERALL AIM**

To equip learners with knowledge and skills to prepare and interpret financial statements

### **LEARNING OUTCOMES**

On completion of this course, the learner should be able to:

	Learning outcome	K	C	A	An	S	E
1.	Explain the role of business accounting		✓				
2.	Describe the regulatory and financial reporting frameworks	✓					
3.	Discuss the ethical responsibilities and challenges of accountants in business		✓				
4.	Explain the qualitative characteristics of financial information		✓				
5.	Record transactions in the books of prime entry and ledgers using double entry bookkeeping			✓			
6.	Prepare a trial balance from accounting records			✓			
7.	Correct errors in accounting records			✓			
8.	Prepare financial statements for business entities and non-profit making organisations			✓			
9.	Reconcile financial transactions			✓			
10.	Prepare financial information from incomplete records			✓			
11.	Discuss the general features of financial statements		✓				
12.	Prepare specialised accounts			✓			
13.	Apply basic (selected) international accounting and financial reporting standards			✓			
14.	Interpret financial information				✓		

## **LEVEL OF ASSESSMENT**

The examination will test the learner's knowledge, application, analytical and comprehension skills of preparation and interpretation of financial information

## **EXAMINATION STRUCTURE**

There will be a three hour examination comprising five questions of 25 marks each, of which the candidate will be required to attempt any four

## **DETAILED SYLLABUS**

### **A INTRODUCTION**

1. Bookkeeping and financial accounting
  - (a) Meaning
  - (b) Nature, scope and limitations of financial accounting
  - (c) Branches of accounting; financial accounting; cost and management accounting
  - (d) Basic concepts and conventions
  - (e) Accounting Standards
  - (f) Procedure for issue of Accounting Standards in Uganda
  - (g) Generally Accepted Accounting Principles (GAAP)
2. The Accountant:
  - (a) Meaning of:
    - (i) An accountant as per the Accountants Act, 2013
    - (ii) Professional accountant as per the International Federation of Accountants (IFAC)
  - (b) Accountants as drivers of sustainable organisational success
  - (c) Role of an accountant in sustainable organisational success and provision of assurance services

- (d) Accountants and ethics:
  - (i) Fundamental ethical principles for professional accountants
  - (ii) Ethical responsibilities
  - (iii) Ethical dilemmas

## **B INTRODUCTION TO THE FINANCIAL REPORTING FRAMEWORK**

1. Preface to International Financial Reporting Standards (IFRSs)
  - (a) Purpose of the preface to IFRSs
  - (b) Objectives of the International Accounting Standards Board
  - (c) The scope and authority of IFRSs
  - (d) Process of setting accounting standards and the timing of the application of the set standard(s)
2. The Conceptual Framework for Financial Reporting
  - (a) Purpose and status of the conceptual framework
  - (b) Types, objectives, benefits and limitations of general purpose financial statements
  - (c) Information needs of users of financial information
  - (d) Economic decisions made by users of financial information
  - (e) Types of and application of the qualitative characteristics of useful financial information
  - (f) Cost constraint of useful financial reporting
  - (g) Elements of financial statements
  - (h) Underlying accounting assumptions
3. Understanding Uganda's financial reporting regulatory framework
  - (a) The Companies Act 2012; accounting and reporting requirements
  - (b) The Accountants Act, 2013

4. General features of financial statements under International Accounting Standard (IAS) 1, Presentation of Financial Statements:
  - (a) Fair presentation and compliance with IFRSs
  - (b) Going concern
  - (c) Accrual basis of accounting
  - (d) Materiality and aggregation
  - (e) Offsetting
  - (f) Frequency of reporting
  - (g) Comparative information
  - (h) Consistency of presentation

## **C FORMS OF BUSINESS ENTITIES**

1. Sole proprietorships:
  - (a) Meaning
  - (b) Characteristics
  - (c) Advantages and disadvantages
2. Partnerships:
  - (a) Meaning
  - (b) Types and characteristics
  - (c) Advantages and disadvantages
  - (d) Types of partners and their obligations to the partnership
  - (e) Legal framework (Partnership Act and the partnership agreement/ deed)
3. Limited liability companies:
  - (a) Meaning
  - (b) Characteristics and forms
  - (c) Benefits and limitations
  - (d) Advantages and disadvantages of a limited liability company
  - (e) Public versus private limited liability companies

- (f) Capital of a limited liability company
- 4. Choice of business entity

## **D PRINCIPLES OF DOUBLE ENTRY AND SYSTEMS OF ACCOUNTING**

1. Accounting equation and double entry system:
  - (a) The double entry framework
  - (b) The accounting equation and the statement of financial position
  - (c) Double entry system for assets, liabilities and capital
  - (d) Effect of profit or loss on capital and the double entry system for expenses and revenue
  - (e) Double entry and bookkeeping
2. Preparation of books of account:
  - (a) Books of prime entry:
    - (i) Subsidiary journals
    - (ii) General journal
    - (iii) Journal entries
  - (b) Ledgers:
    - (i) The purpose of the various ledgers
    - (ii) Format of a ledger
    - (iii) Recording transactions from journals to ledger accounts
    - (iv) Balancing and closing the ledger accounts
  - (c) The cashbook
    - (i) The double and three-column cashbook; purpose of two-column and three-column cashbooks
    - (ii) The concept of contra entries
    - (iii) Bank reconciliation statements: Nature and purpose; preparation

3. Trial balance:
  - (a) Purpose
  - (b) Preparation
  - (c) Errors that can and cannot be revealed by a trial balance
  - (d) Suspense accounts and correction of errors

## **E      PREPARATION OF FINANCIAL INFORMATION FROM INCOMPLETE RECORDS**

1. Incomplete records:
  - (a) Meaning
  - (b) Reasons for existence of incomplete records and their disadvantages
  - (c) Purpose and preparation of a statement of affairs
  - (d) Derivation of missing figures
2. Control accounts:
  - (a) Meaning and purpose
  - (b) Contra entries in control accounts and the source of information for control accounts
  - (c) Preparation of:
    - (i) Sales ledger control account
    - (ii) Purchases ledger control account
3. Derivation of figures for profit/ loss where only the increase/ decrease in capital and details of drawings are known
4. Definition, computation and application of mark-up and margin
5. Preparation of financial statements

## **F FINANCIAL STATEMENTS FOR SOLE TRADERS, PARTNERSHIPS, MANUFACTURING AND LIMITED LIABILITY COMPANIES**

1. Adjustments to financial statements:
  - (a) Accruals and prepayments:
    - (i) Meaning
    - (ii) Calculation
    - (iii) The matching concept
    - (iv) Treatment in the financial statements
  - (b) Depreciation:
    - (i) Purpose and causes
    - (ii) Relationship between depreciation and asset replacement
    - (iii) Depreciable amount; factors to consider in determining depreciable amount
    - (iv) Computation of depreciation using the straight line, reducing balance, sum of digits and revaluation methods
    - (v) Double entry to record depreciation
    - (vi) Treatment of depreciation in the financial statements
    - (vii) Accounting for:
      - Change in the economic useful life of an asset
      - Revaluation of an asset
      - Acquisition of an asset
    - (viii) Disposal and trade-ins of non-current assets
  - (c) Bad debts and provisions for doubtful debts:
    - (i) Reasons for providing for bad debts
    - (ii) Specific and general provisions
    - (iii) Accounting for bad and provisions for bad debts

- (d) Discounts:
  - (i) Trade and settlement (cash) discounts
  - (ii) Provisions for discounts allowed and received
- 2. Financial statements for manufacturing concerns:
  - (a) Meaning of key terms
  - (b) Classification of manufacturing costs
  - (c) Purpose, format and preparation of a manufacturing account
  - (d) Classification of operating expenses; bases of apportioning operating expenses
  - (e) Unrealised profits in closing stocks
  - (f) Manufacturing and trading profits compared
  - (g) Format of income statement
- 3. Preparation of financial statements for trading concerns:
  - (a) Sole proprietorships
  - (b) Partnerships:
    - (i) Partnership accounts; methods of preparing partnership accounts; separate capital and current accounts
    - (ii) Appropriation of profits/ losses; treatment of partners' share of profits/ losses, interest on capital, drawings and interest on drawings
    - (iii) Redrafting of balance sheet after revaluation and/ or merger
    - (iv) Dissolution (The case of Garner V Murray)
    - (v) Conversion of partnership into limited company
  - (c) Limited liability companies: Income statement, balance sheet, statement of changes in equity and statement of cash flows



## **G FINANCIAL STATEMENTS FOR NON-PROFIT MAKING ORGANISATIONS**

1. Meaning
2. Objectives and purpose(s)
3. Non-profit making organisations versus profit making organisations
4. Subscriptions:
  - (a) Types
  - (b) Preparation of subscriptions account
5. Receipts and payments account:
  - (a) Meaning and purpose
  - (b) Preparation
  - (c) Shortcomings
6. Income and expenditure statement:
  - (a) Nature and purpose
  - (b) Sources of income
  - (c) Preparation
  - (d) Receipts and payments account versus income and expenditure statement
7. Profits or losses from other activities
8. Donations, grants, life membership fees and entrance fees
9. Accumulated fund; effect of surplus or deficit on accumulated fund
10. Balance sheet
11. Financial statements of non-trading versus trading organisations

## **H PREPARATION OF SPECIALISED ACCOUNTS**

1. Consignments
2. Joint ventures
3. Hire purchase arrangements

4. Branch accounts
5. Royalties accounts
6. Containers

## **J FINANCIAL REPORTING STANDARDS**

1. International Accounting Standard (IAS) 2, Inventories
  - (a) Objective and scope of the Standard
  - (b) Exceptions to the Standard
  - (c) Key concepts of the Standard
  - (d) Measurement of inventories, cost, net realisable value, fair value
  - (e) Accounting treatment: Composition of cost of inventory, exclusions from the cost of inventory, cost formulas, techniques for measuring cost of inventory (standard cost and retail method)
  - (f) Presentation and disclosure: Accounting policies, total carrying amounts for every class of inventory, write-offs, recognised as expenses, circumstances or events leading to write-offs, carrying amounts of inventory pledged as security for liabilities
2. International Accounting Standard (IAS) 7, Statement of Cash Flows
  - (a) Scope and objective of the Standard
  - (b) Need for management to control cash flows
  - (c) Operating, investing and financing activities
  - (d) Cash and cash equivalents
  - (e) Preparation of a statement of cash flows: Direct and indirect methods
  - (f) Usefulness of the information from statement of cash flows
  - (g) Limitations of the statements of cash flows; profitability versus liquidity
3. International Accounting Standard (IAS) 12, Income Taxes

- (a) Objective, scope of the Standard
  - (b) Definition of key terms:
    - (i) Accounting profit
    - (ii) Taxable profit (tax loss)
    - (iii) Tax expense (tax income)
    - (iv) Current tax
    - (v) Deferred tax assets and liabilities
    - (vi) Taxable and deductible temporary differences
  - (c) Recognition of current tax assets and liabilities
  - (d) Measurement of current tax assets and liabilities
  - (e) Recognition of current tax and deferred tax:
    - (i) Items recognised in profit or loss
    - (ii) Items recognised outside profit or loss
  - (f) Taxation in financial statements
4. International Accounting Standard (IAS) 16, Property, Plant and Equipment (PPE)
- (a) Objective and scope of the Standard
  - (b) Definition of key terms:
    - (i) Asset
    - (ii) Depreciation
    - (iii) Depreciable amount
  - (c) Recognition of PPE
  - (d) Initial measurement
  - (e) Subsequent measurement after recognition
  - (f) Cost and revaluation models of accounting
  - (g) Depreciation of PPE
  - (h) Derecognition of PPE on disposal and/ or retirement
  - (i) Disclosure requirements
5. International Financial Reporting Standard (IFRS) 16, Leases
- (a) Objective and scope of the Standard

- (b) Recognition exemptions
  - (c) Key concepts of the Standard: Lessee; lessor
  - (d) Lease identification; separating components of a lease contract
  - (e) Lease term
  - (f) Lessee:
    - (i) Recognition and measurement; initial measurement of right-to-use asset and lease liability
    - (ii) Subsequent measurement of right-of-use asset and lease liability
  - (g) Reassessment of the lease liability
  - (h) Lease modifications
  - (i) Presentation and disclosure
  - (j) Lessor: Classification of leases; finance and operating leases
  - (k) Accounting treatment for leases by the lessee and the lessor: The five step model:
    - (i) In an ordinary lease contract/ arrangement where there is change in conditions of the lease during the course of the lease
    - (ii) In a sale and lease back transaction
  - (l) Presentation and disclosure
6. International Financial Reporting Standard (IFRS) 15, Revenue from Contracts with Customers
- (a) Objective and scope of the Standard
  - (b) Exceptions to the Standard
  - (c) Key concepts of the Standard:
    - (i) Contract
    - (ii) Customer
    - (iii) Income versus revenue

- (iv) Performance obligation
- (v) Transaction price
- (d) Recognition (five steps of revenue recognition):
  - (i) Identification of the contract
  - (ii) Combination of contracts
  - (iii) Contract modifications
  - (iv) Identification of performance obligations
  - (v) Satisfaction of performance obligations
- (e) Measurement:
  - (i) Transaction price; variable consideration, significant financing component in the contract, non-cash consideration, consideration payable to customer
  - (ii) Allocation of the transaction price to performance obligations; stand-alone selling prices, allocation of a discount, allocation of variable consideration
  - (iii) Changes in transaction price
- (f) Contract costs:
  - (i) Incremental costs of obtaining a contract
  - (ii) Costs to fulfil a contract
  - (iii) Amortisation and impairment
- (g) Presentation and disclosure requirements
  - (i) Contracts with customers
  - (ii) Disaggregation of revenue
  - (iii) Contract balances
  - (iv) Performance obligations
  - (v) Transaction price allocated to the remaining performance obligations
  - (vi) Significant judgements in the application of the Standard
  - (vii) Assets recognised from costs to obtain or fulfil a contract with customer

## **REFERENCES**

1. ICPAU (2022), Financial Accounting, Kampala
2. Alan Sangster (2019), Frank Wood's Business Accounting, Pearson Education Limited, Harlow, 14<sup>th</sup> Edition
3. Frank Wood & Sheila Robinson (2018), Book-keeping and Accounts, Pearson, 9<sup>th</sup> Edition
4. Alan Sangster & Lewis Gordon (2022), Frank Wood's Business Accounting, Pearson Education Limited, Harlow, 15<sup>th</sup> Edition
5. International Accounting Standards Board (current issue), International Financial Reporting Standards, IFRS Foundation
6. Government of Uganda (2012), The Companies Act, Uganda Printing & Publishing Company

## **OVERALL AIM**

To equip the learner with legal knowledge so as to provide practical and professional solutions in a business environment

## **LEARNING OUTCOMES**

**On completion of this course, the learner should be able to:**

	Learning outcomes	K	C	A	An	S	E
1.	Explain the general principles of law		p				
2.	Advise clients on contract matters					✓	
3.	Analyse agency relationships in business situations				✓		
4.	Apply the general principles of the law of trusts			✓			
5.	Analyse the relationship between employer and employees				✓		
6.	Advise on formation, operation, and liquidation of partnerships and companies					✓	
7.	Discuss the types of negotiable instruments			✓			
8.	Advise on insolvency matters					✓	
9.	Advise on land tax related issues					✓	
10.	Raise and resolve business issues					✓	

## **LEVEL OF ASSESSMENT**

The syllabus will test comprehension, application, analysis and synthesis of applicable laws in a business environment

## **EXAMINATION STRUCTURE**

There will be a three hour examination comprising of five scenario questions of 25 marks each. The candidate will be required to attempt any four.

## **DETAILED SYLLABUS**

### **A GENERAL PRINCIPLES OF UGANDAN LAW**

1. Role, nature and classification of Law:
  - (a) Role and nature of Law in Uganda
  - (b) Classes of law in Uganda
2. Sources of Ugandan law
3. Legal systems and administration of law:
  - (a) Types of courts in Uganda
  - (b) Civil versus criminal law

### **B LAW OF CONTRACT**

1. General principles of the law of contract:
  - (a) Meaning of a contract
  - (b) Classes of contracts
  - (c) Essential elements of a valid contract:
    - (i) Offer: invitation to treat, unilateral contracts, counter offer, termination of offers
    - (ii) Acceptance: postal rule, acceptance of unilateral contracts
    - (iii) Offer and acceptance when dealing with machines



- (d) Formation of contracts
  - (e) Auctions
  - (f) Tenders
  - (g) Agreements: Agreements made in a business context, agreements made in a social context
  - (h) Battle of the forms
2. Consideration: Meaning, types, sufficiency of consideration, performance of an existing duty, part payment of a debt, promissory estoppels
  3. Formalities: Contracts required to be in writing and those evidenced in writing
  4. Capacity to contract: Minors, mental disorder and drunkenness, corporations
  5. Contents of contracts:
    - (a) Distinction between terms and representations
    - (b) Express terms
    - (c) Conditions, warranties and in-nominate terms
    - (d) Implied terms – by statute, by the courts, by custom – Sale of Goods
    - (e) Act 1932
  6. Factors that vitiate a contract
  7. Mistake: Meaning, types of mistakes
  8. Misrepresentation: Meaning and types of misrepresentation; fraudulent misrepresentation
  9. Duress and undue influence
  10. Illegal, void and voidable contracts: Differences between illegal and void contracts, effect of voidable contracts
  11. Assignments: Meaning and forms of assignments
  12. Discharge and frustration of contracts: Meaning and ways in which a contract can be discharged
  13. Remedies and limitations of actions: Remedies for breach of contracts, time limit for contractual actions, exceptions to limitation of contractual actions

## **C LAND LAW**

1. Land law: rights, interests and types of ownership in land, different transfers of ownership that can occur
2. Leases: Key features of a lease that makes it a contract, different types of tenancies that exist, contrast a licence with a lease
3. Taxes in land transactions

## **D LAW OF TORT**

1. Meaning
2. Distinction between tort and contract; tort and crime
3. Elements of tort:
  - (a) Legal damage
  - (b) Injuria sine damnum
  - (c) Damnum sine injuria: ordinary trade competition, lawful use of one's property.
4. Malice in tort: Malicious prosecution, malicious falsehood
5. Capacity of parties to sue and be sued:
  - (a) The government
  - (b) Foreign sovereigns and diplomats
  - (c) Corporation
  - (d) Trade unions
  - (e) Married women
  - (f) Infants and minors
  - (g) Liability of parents
  - (h) Persons of unsound mind
6. General defences in torts:
  - (a) Volenti non fit injuria
  - (b) Necessity
  - (c) Inevitable accident

- (d) Act of God
- (e) Statutory authority
- (f) Mistake
- 7. Joint tortfeasors:
  - (a) Joint action
  - (b) Vicarious liability: Basis, meaning of servant, independent contractor; exceptions to the defence
- 8. Limitation/ survival of actions
- 9. Trespass:
  - (a) Trespass to persons (assault, battery; defences available); false imprisonment/ imprisonment without knowledge
  - (b) Trespass to land (continuing trespass, trespass ab initio, remedies and defences)
  - (c) Trespass to goods (elements, trespass to chattels or goods, conversion, things found on land, distinction between trespass and conversion, who can sue, remedies)
- 10. Negligence:
  - (a) Meaning
  - (b) Elements
  - (c) Standard of care
  - (d) Duty of care
  - (e) Contributory negligence
  - (f) Liability to children
  - (g) Negligent mis-statement
- 11. Nuisance: Private nuisance, public nuisance, remedies, defences

## **E SALE OF GOODS**

1. Protecting the consumer
2. Passing of ownership and risk

3. Duties and liabilities of carriers
4. Stoppage in transit
5. Remedies and obligations of buyer and seller
6. Consumer credit (hire purchase, credit sales and leasing)

## **F**      **LAW OF AGENCY**

1. Introduction to the Agency: Meaning of agency, nature of agency; purpose of agency law
2. Formation and creation of principal-agent relationship
3. Types of agents
4. Duties and rights of an agent
5. Duties and rights of a principal
6. Rules governing the relationship between the principal and third parties
7. General rules governing the relationship between the agent and third parties and exceptions to the rules
8. Circumstances under which an agency relationship can be terminated

## **G.**      **LAW OF TRUST**

1. Meaning and types of trust
2. Parties to a trust
3. Circumstances under which a trust can be created
4. Appointment, discharge, duties and liabilities of trustees:
  - (a) Requirements for appointment as a trustee
  - (b) Circumstances under which a trustee can be discharged
  - (c) Duties and liabilities of trustees
5. Termination of a trust

## **H. EMPLOYMENT LAW**

1. Contract of employment:
  - (a) Contents of a contract of employment
  - (b) Contract of services versus contract for services
2. Duties and rights of employees
3. Obligations of an employer to employees
4. Discrimination:
  - (a) Types of discrimination
  - (b) Statutory provisions against discrimination
5. Termination of contract of employment:
  - (a) Circumstances under which a contract of employment can be terminated
  - (b) Circumstances under which termination may be unlawful
6. Health, safety and environment
  - (a) Common law on health and safety
  - (b) Laws and regulations on health, safety and the environment

## **I. LAW OF PARTNERSHIPS**

1. Meaning, types and formation of partnership
2. Relationship of partners; duties and rights
3. Obligations of partners to third parties
4. Liability of partners
5. Liquidation of partnerships

## **J. NEGOTIABLE INSTRUMENTS**

1. Meaning and characteristics
2. Types:
  - (a) Cheques:
    - (i) Meaning, nature and types
    - (ii) Partnership to a cheque, their rights and obligations
    - (iii) Cheque crossings and endorsements
    - (iv) Dishonour and discharge
    - (v) Forgeries
  - (b) Bills of exchange:
    - (i) Meaning, nature and types
    - (ii) Parties to a bill of exchange; their rights and obligations
    - (iii) Acceptance, negotiation, endorsement, dishonour, discharge, forgeries
  - (c) Recent developments:
    - (i) Online banking
    - (ii) Agency banking
    - (iii) Mobile money transfers

## **K LAW OF COOPERATIVES**

1. The cooperative identity- definition, universal cooperative principles and values
2. Cooperative formation
3. Registration of cooperative societies
  - (a) Conditions of registration
  - (b) Application for registration
  - (c) Registration on probation and permanent
  - (d) Conditions
  - (e) Pre-registration contracts

- (f) Cancellation of registration
  - (g) Amendment of the byelaws of a registered society
  - (h) Provisions regarding name of a registered society
  - (i) Evidence of registration
4. Cooperative governance organs
    - (a) Rights and liabilities of members
    - (b) Qualifications for membership
    - (c) Restriction on shareholding
    - (d) Restriction on membership
    - (e) Rights and obligations of members
    - (f) Restriction on membership
    - (g) Rights and obligations of members
    - (h) Votes of members
    - (i) Leadership and management of a society
    - (j) Supervisory board
    - (k) Restrictions on transfer of share or interest
  5. Duties of registered societies
    - (a) Address of society
    - (b) Copy of the Act, regulations, byelaws, etc. to be open for inspection
    - (c) Records management of a registered society
    - (d) Audit, annual returns and accounts
    - (e) Qualifications of auditors
    - (f) Estimates and expenditure
    - (g) Voluntary amalgamation of societies
    - (h) Transfer of assets and liabilities to another society
    - (i) Voluntary division of a society
  6. Duties of the board and privileges of registered societies
    - (a) Societies to be bodies corporate
    - (b) Board of Directors of the Uganda Cooperative Alliance Ltd.

- (c) Byelaws to bind members
  - (d) Contract with members to dispose of produce
  - (e) Imposition of fines upon members
  - (f) Charge on agricultural produce and certain other materials and articles
  - (g) Charge and setoff in respect of shares or interest of members
  - (h) Share or interest not liable to attachment
  - (i) Liability of past member
  - (j) Liability of estate of deceased member
  - (k) Transfer of interest on death of member
  - (l) Registers and books of societies and copies of them shall be received in evidence in certain circumstances
  - (m) Restriction on the production of a society's books
  - (n) Power to exempt from duty or tax
7. Property and funds of registered societies
- (a) Restrictions on loans
  - (b) Restrictions on borrowing
  - (c) Restrictions on other transactions with nonmembers
  - (d) Investment of funds
  - (e) Dividend or bonus
  - (f) Reserve and provident fund
  - (g) Distribution of net balance
  - (h) Contribution to education fund
  - (i) Cooperative member education
  - (j) Audit and Supervision Fund
8. Supervision and inspection of affairs
- (a) Production of cash and books of a registered society
  - (b) Ad hoc committee of inquiry



## **L COMPANY LAW**

1. Meaning of company
2. Incorporation and classification of companies:
  - (a) Types of companies
  - (b) Public versus private companies
  - (c) Registration procedure
  - (d) Importance of the certificate of incorporation
3. Commencement of business; requirements before commencement of business
4. Formation of a company:
  - (a) Meaning and duties of promoters
  - (b) Rules governing pre-incorporation contracts
  - (c) Remuneration of promoters
  - (d) Remedies for pre-incorporation acts of promoters
  - (e) Characteristics of a company
  - (f) The veil of incorporation; circumstances under which the veil of incorporation may be lifted
5. Memorandum of association:
  - (a) Importance and contents
  - (b) Alteration: requirements for and effects of alteration
6. Articles of association:
  - (a) Importance and contents
  - (b) Alteration: requirements for and effects of alteration
  - (c) Table A of the Companies Act, 2012
7. Membership:
  - (a) Eligibility for membership
  - (b) Process of becoming a member
  - (c) Termination of membership
  - (d) Register of members, its contents and importance

8. Prospectus:
  - (a) Meaning, nature and contents
  - (b) Ways of how liabilities may arise as a result of issuance of a prospectus
  - (c) Remedies for parties who may be aggrieved as a result of issuance of a prospectus
9. Shares and share capital:
  - (a) Meaning and types
  - (b) Ways of raising share capital: Offers, underwriting, brokerage
  - (c) Liability for misrepresentation and non-disclosure
10. Issue of shares:
  - (a) Notice
  - (b) Application
  - (c) Allotment; rules governing the allotment of shares; restrictions on allotment
  - (d) Eligibility for applications and allotment
  - (e) Powers under issue of shares
  - (f) Consideration
  - (g) Pre-emption rights
  - (h) Issue of shares at a discount and at a premium
  - (i) Share certificate
11. Transfer of shares:
  - (a) Rules governing calls on and transfer of shares
  - (b) Circumstances under which transfer of shares can be restricted
  - (c) Meaning of 'mortgage', 'forfeiture', 'surrender', conversion
  - (d) Liability for misrepresentation and non-disclosure in a transaction of transfer of shares
12. Annual returns
13. Class rights and variation of class rights

14. Alternation and reduction of share capital; reasons why reduction of share capital is prohibited
15. Purchase of own shares
16. Debentures:
  - (a) Meaning and classification of debentures
  - (b) Manner in which debentures can be issued and transferred
  - (c) Trust deed: Meaning, advantages
  - (d) Priority of payment of debenture holders
  - (e) Types of charges
  - (f) Remedies for debenture holders
17. Dividends: Meaning, declaration and payment, unlawful distribution of dividend, capitalisation of profits
18. Meetings:
  - (a) Statutory meeting:
    - (i) Meaning
    - (ii) Importance of holding a statutory meeting
  - (b) Annual general meeting
    - (i) Meaning
    - (ii) Importance
    - (iii) Business to be transacted
  - (c) Other meetings
  - (d) Notices of meetings; statutory requirements for notices of different meeting
  - (e) Proceedings at general meetings; legal requirements of conducting general meetings
19. Directors:
  - (a) Appointment:
    - (i) Process of appointment
    - (ii) Qualification for appointment

- (b) Publicity requirements; circumstances under which directors are supposed to be publicised
  - (c) Powers, duties and responsibilities of directors; circumstances under which a director can be held liable personally
  - (d) Remuneration; circumstances under directors are remunerated
  - (e) Directors' meetings; roles of directors in their meeting
  - (f) Directors' interest in shares or debentures; circumstances under which directors can have interest in shares or debentures
  - (g) Disqualification and removal of directors
20. Company secretary: Appointment, duties and powers of a company secretary, contents of the register of directors and secretaries
21. Accounts and company Auditors:
- (a) Financial statements
  - (b) Meaning of an auditor
  - (c) Director's duties
  - (d) Auditor's responsibilities
  - (e) Auditors report
  - (f) Circumstances under which an auditor can be personally liable for damages arising out of their report
  - (g) Appointment, resignation and removal, qualifications, rights and duties, remuneration, liability for negligence of auditors
22. Majority rule, minority protection and investigations:
- (a) Rule in Foss v Harbottle
  - (b) Protection of minority shareholders under common law and case law
  - (c) Circumstances under which shareholders can bring action or against the company

- (d) Circumstances under which company investigation and inspections can be carried out
  - (e) The rule in Turquand case
23. Corporate insolvency/ winding up:
- (a) Meaning of the term winding up
  - (b) Ways of winding up
  - (c) Grounds for winding up
  - (d) Petition for winding up
  - (e) Procedure for winding up
  - (f) Commencement and completion
  - (g) Legal consequences of winding up
  - (h) Priority in the apportionment of proceeds from winding up
24. The Liquidator:
- (a) Meaning of 'liquidator'
  - (b) Appointment and removal
  - (c) Remuneration
  - (d) Control over a liquidator
  - (e) Rights, powers and duties of a liquidator
  - (f) Ways in which a liquidator may be liable for transactions made during winding up.

## **M. DISPUTE RESOLUTION**

1. Tax appeals tribunal (To check for Employment tribunal)
2. PPDA tribunal
3. Civil procedure: Role of courts
4. Alternative Disputes Resolution (mediation & arbitration)

## **REFERENCES**

1. ICPAU, 2022. Business and Company Law: Kampala.
2. Bakibinga D.J., 2022. Company Law in East Africa, Notion Press.
3. Bakibinga D.J, 2006. Equity & Trusts in Uganda, 2nd Edition, Kampala: Professional Books Publishers.
4. Bakibinga D.J., 2013. Law of Contract in Uganda, 2nd Edition, Kampala: Fountain Publishers.
5. Bakibinga D.J., 2011. Partnership Law in Uganda, 2nd Edition, Kampala: Professional Books Publishers.
6. Bakibinga D.J (2006), Equity & Trusts in Uganda, Professional Books Publishers, Kampala, Uganda, 2nd Edition.
7. Government of Uganda, by Uganda Printing and Publishing Corporation:
  - (a) Companies Act, 2012
  - (b) Employment Act, 2006
  - (c) Insolvency (Amendment) Act, 2022
  - (d) Contracts Act, 2010
  - (e) Partnership Act, 2010
  - (f) Sale of Goods and Supply of Services Act, 2017

## **OVERALL AIM**

To equip the learner with knowledge of Uganda’s tax system, covering principles of taxation and the impact of taxation as a vital source of public revenue in directing the national and regional economies’ fiscal performances.

## **LEARNING OUTCOMES**

On completion of this course, the learner should be able to:

	Learning outcomes	K	C	A	An	S	E
1.	Explain the principles of taxation		✓				
2.	Identify the principal types of taxation	✓					
3.	Describe tax administration in Uganda						
4.	Explain Uganda’s taxation framework						
5.	Describe the features of the principal types of taxation relevant to an incorporated business		✓				
6.	Describe the record-keeping, filing and tax payment requirements of an individual and an incorporated business		✓				
7.	Determine the amount of tax owed by or owed to individuals and incorporated business			✓			
8.	Identify aspects of international tax.	✓					
9.	Distinguish between tax avoidance and tax evasion.	p					

## **LEVEL OF ASSESSMENT**

The examination will test knowledge, comprehension and application of skills in the computation of different taxes, and develop an understanding of the legal framework of different taxes and administration.

## **EXAMINATIONS STRUCTURE**

There will be a three hour examination comprising five questions of 25 marks each of which the candidate will be required to attempt any four.

### **DETAILED SYLLABUS**

#### **A INTRODUCTION TO PRINCIPLES OF TAXATION**

1. Meaning of tax and taxation
2. General principles of taxation
3. Incidence of a tax and taxable capacity
4. Definition of trade, business, profession, vocation, test of trade
5. The overall function and purpose of taxation in a modern economy
6. Theories of taxation

#### **B. THE UGANDA TAX SYSTEM**

1. Introduction to tax in Uganda
2. Constitutional provisions on taxation
3. The constitutional rights of taxpayers
4. The implications of constitutional provisions for tax laws and tax administration
5. The influences and confines which frame the Uganda tax system
6. The mandate, role, responsibilities and organisational



- structure of the Uganda Revenue Authority (URA)
7. The role and responsibilities of the Ministry of Finance, Planning and Economic Development
    - (a) The Minister
    - (b) Tax policy department
    - (c) National Planning Authority
  8. The role of the Commissioner General of URA
  9. The role of Parliament
  10. Role of Regulatory bodies and associations
  11. Uganda's tax base and any alternatives available
  12. General principles of tax administration

## **C TAX LEGISLATION**

1. Use of legislation
2. Primary legislation
3. Secondary legislation
4. Practice notes
5. Private rulings
6. Interpretation of statute law
7. Interpretation of residence and non-residence status
  - (a) Individual.
  - (b) Company.
  - (c) Trust.
  - (d) Partnership.
  - (e) Retirement fund.
8. Non resident.
9. Rates of tax
10. Taxation and the source of income rules

## **D. TAX POLICY IN UGANDA**

1. Tax incidence models
2. The structure of individual and corporate tax system
3. Corrective taxation
4. Effect of taxation on economic activities and income distribution
5. Designing a modern tax system

## **E. INCOME TAX**

1. General legal principles
2. The scope of income tax
3. Income from employment & self employment
4. Employee-employer relationship
5. Business income
6. Property and investment income
7. Rental tax
8. Exempt income and reliefs
9. Deemed income
10. Deductions from income
11. Computation of taxable income and income tax liability

## **F. TAXATION OF PROFITS AND GAINS**

1. Business organizations- Sole trade, partnerships and companies
2. Distinction between accounting and taxable profits
3. The badges of trade
4. Allowable and non-allowable expenses
5. The rules dealing with the relief of losses
6. The use of exemptions and reliefs in deferring and minimising company tax liabilities
7. Withholding tax

**G. MEASUREMENT OF THE PROGRESSIVITY OF INCOME TAXATION**

1. Principles of progressive income tax
2. Methods for implementing a progressive income tax
3. Redistributive welfare effects
4. Measures of progressivity; Local and global

**H. CAPITAL GAINS**

1. The scope and the taxation of capital gains
2. Rules of residence and capital gains
3. Determination of whether there was a disposal of asset
4. Consideration received and Cost base
5. Computation of capital gains or losses
6. Computation of the tax on capital gains
  - (a) Basic principles
  - (b) Capital gains and married or separated couple
  - (c) Capital gains and the sale of shares or business asset
  - (d) Capital gains arising from leases and other property transactions
  - (e) Capital gains implications of a taxpayer's death
7. Use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets
8. Non recognition of gain or loss

**I INDIRECT TAXATION AND NON-TAX REVENUE**

1. Stamp duty
2. Excise duty
3. Value added tax
  - (a) Administration of VAT:
  - (b) Returns; amended returns; returns that are filed separately

- (c) Powers and duties of the Commissioner General
  - (d) Rights and obligations of a registered taxpayer
  - (e) Refund procedures
  - (f) Objection and appeals, offences and penalties
4. Non-Tax Revenue
  5. Computation of Tax

## **J ASPECTS OF TAX PROCEDURES CODE**

1. Record-keeping and record retention
2. The deadlines for reporting (filing returns) and tax payments
3. E-Filing
4. Types of powers of tax authorities to ensure compliance with tax rules:
  - (a) Power to review and query filed returns
  - (b) Power to request special reports or returns
  - (c) Power to examine records (generally extending back some years)
  - (d) Powers of entry and search.
5. Exchange of information with tax authorities in other jurisdictions
6. Tax penalties
7. Tax Assessment and collection
8. Objections/Appeal process
9. Tax refunds
10. Penalties for non-compliance
11. Tax avoidance and tax evasion
12. Small business taxpayers
13. Accounting treatment of taxation and disclosure requirements under IAS 12

## **J. INTRODUCTION TO INTERNATIONAL TAXATION**

1. Definition of international taxation
2. Tax heads that are applicable to international companies
3. The concept of corporate residence and the variation in rules for its determination across jurisdictions (e.g. place of incorporation versus place of management)
4. Means of establishing a taxable presence in another country (local company and branch)

## **K INTRODUCTION TO CUSTOM LAWS**

1. Definition of key terms
2. Various customs procedure & documentation
3. An overview with the customs act
4. Tax administration issues
5. Understanding International Trade and Economic security measures
6. Inspection and management of economic borders
7. Prohibition and restrictions
8. Role of customs
9. Customs in the international context
10. Taxes collected by customs
11. General provisions
12. Computation of duty

## **L. TAX EVASION AND TAX AVOIDANCE**

1. The relationship between tax evasion, tax avoidance and
2. Spotting facilitation of tax evasion
3. Reasonable procedures:
  - (a) Meaning
  - (b) Checklist for reasonable procedures
4. Effects of tax evasion
5. Mitigation of tax evasion and tax avoidance

## **REFERENCES**

1. ICPAU (2022), Taxation, Kampala
2. Government of Uganda, by Uganda Printing and Publishing Corporation:
  - (a) Income Tax Act, Cap 340
  - (b) Value Added Tax Act, Cap 349
  - (c) Excise Duty Act, 2018
  - (d) East African Customs Management Act
  - (e) The Tax Procedures Code Act
3. Joseph O. Okuja (2022), Domestic & International Taxation in Uganda, Kampala Uganda.

## **OVERALL AIM**

To enable learners apply economic principles and methodologies in making business decisions.

## **LEARNING OUTCOMES**

On completion of this course, the learner should be able to:

	Learning outcome	K	C	A	An	S	E
1.	Explain the nature and scope of economics.		✓				
2.	Demonstrate an understanding of major economic models and theories.			✓			
3.	Examine the basic economic principles and main features of the Ugandan economic system				✓		
4.	Apply the basic economic concepts and principles to managerial problems, both micro and macro.			✓			
5.	Demonstrate an understanding of Uganda's monetary and fiscal systems.			✓			

## **EXAMINATIONS STRUCTURE**

There will be a three hour examination comprising of five scenario questions of 25 marks each. The candidate will be required to attempt any four.

## **LEVEL OF ASSESSMENT**

The syllabus will assess learners' ability to apply principles and techniques of economics in making business and policy decisions.

### **DETAILED SYLLABUS**

#### **A GENERAL PRINCIPLES**

1. Definition, nature and scope of managerial economics
2. Managerial economics and micro-economics - managerial economics and macro-economics
3. Fundamental concepts of choice, scarcity and opportunity cost
4. Relationship between production and consumption
5. Source and distribution of income
6. Applications of economics in managerial decisions making

#### **B PRICE SYSTEM**

1. Functions of price and price mechanism
2. Demand supply and prices
3. Demand Forecasting - Techniques of Demand Forecasting
4. Elasticities of demand and supply
5. Production and Costs - Meaning of Production Function - Law of variable proportions
6. Law of returns, marginal and productivity
7. Determinants of costs - Break Even Analysis - Cost Forecasting

#### **C ECONOMIC ANALYSIS**

1. Behaviour of demand and supply under various conditions of price and cost



2. Consumer behaviour under condition of changes in price and income
3. Types of Business Organizations
4. Theory of the firm
5. Profit Maximization, Sales Maximization, Satisfying Theory - Enhancing value of the firm and its goals
6. Input cost functions and output
7. Output and price under different market conditions
8. Cost Benefit Analysis - Private Vs Public Goods
9. Steps in cost benefit analysis
10. Justification for the use of cost benefit analysis

## **D GOVERNMENT AND BUSINESS**

1. Need for Government intervention in the market - Price Controls
2. Support Prices and Administered Prices
3. Protection of consumers' interest
4. Liberalization of the Economy
5. Process of disinvestments - Need and method
6. Policy planning as a guide to overall business development

## **E STRUCTURE OF THE UGANDA'S ECONOMY**

1. Main features of the economy
2. Theories of Economic growth and development
3. Leading production sectors

## **F      MACRO-ECONOMICS**

1. Gross National Products and its Sectoral contribution (C+I+G+X-M)
2. Aggregate consumption, saving and investment (the multiplier effect theory)
3. Aggregate demand
4. Employment and income
5. Inflation
6. Geographical distribution of economic activities

## **G      MONEY, BANKING AND OTHER FINANCIAL INSTITUTIONS**

1. Nature and functions of money and credit
2. The banking system - Central bank, commercial, merchant banks, development banks and universal banking
3. The capital market – The Securities Exchange

## **H      INTERNATIONAL TRADE AND PAYMENTS**

1. The law of comparative advantage
2. Volume of international trade
3. Terms of trade and balance of payments
4. Exchange rate determination, fixed versus floating exchange rate, and multiple exchange rates
5. Devaluation, Depreciation of currency
6. International Trade and financial institutions, regional bodies and other international economic organs

## **I PUBLIC FINANCE AND FISCAL POLICY**

1. Meaning of public finance, public revenue, public expenditure, public debt, financial administration, fiscal policy, taxable income
2. Sources of government revenue
3. Meaning of tax, taxation; evolution of taxation in Uganda
4. Reasons for levying taxes and the negative effects of taxation
5. Taxes:
  - (a) Features and forms of direct and indirect taxes
  - (b) Advantages and disadvantages of direct and indirect taxes
  - (c) Types of taxes; their advantages and disadvantages:
  - (d) Meaning of impact of tax, tax base
  - (e) Tax bases in Uganda; why Uganda has a narrow tax base
  - (f) Marginal rate and average rate of taxation
6. Incidence of tax:
  - (a) Meaning
  - (b) Incidence of taxes under: unitary elasticity, elastic, inelastic, perfectly elastic and perfectly inelastic demand and supply
7. Canons, principles or characteristics of a good tax system
8. Meaning of taxable capacity: individual, national, corporations.
9. Factors that influence the taxable capacity of a country; Reasons for Uganda's low taxable capacity
10. Public Debt:
  - (a) Meaning of: public debt, national debt; public debt versus national debt
  - (b) Types: internal debt, external debt, short-term debt, long-term debt, medium-term debt, funded debt, deadweight debt, reproductive debt, floating debt

- (c) Reasons why a country incurs public debt; the burden of public debt in a developing country
  - (d) Public debt management:
    - (i) Meaning
    - (ii) Objectives of public debt management
    - (iii) Ways in which public debt management is carried out
11. National budget as an instrument of economic and social policy
    - (a) Meaning of a national budget
    - (b) Components of a national budget
    - (c) Balanced budget, surplus budget and deficit budget
      - (i) Reasons for making a surplus budget and a deficit budget
      - (ii) Effects of a surplus budget and a deficit budget
      - (iii) Ways of financing a deficit budget
      - (iv) Importance of a national budget in national economic development
  12. Role of public finance in development
  13. Characteristics of public expenditure in Uganda; reasons for the need of public expenditure; effects of government spending on the economy
  14. Debt financing and taxation financing; advantages and disadvantages

## **J. ECONOMIC GROWTH AND DEVELOPMENT**

1. Introduction
  - (a) Meaning of economic growth; economic development
  - (b) Economic growth versus economic development
  - (c) Objectives of economic development in Uganda
  - (d) Costs and benefits of economic growth
  - (e) Barriers to economic growth

- (f) Indicators of economic development; reasons why economic growth does not always lead to economic development
- 2. Rostow's theory of economic growth:
  - (a) Stages
  - (b) Characteristics of Rostow's stages of economic growth
- 3. Theories of economic growth and development:
  - (a) Meaning of big push; critical minimum effort
  - (b) Balanced growth theory:
    - (i) Meaning
    - (ii) Merits and demerits
  - (c) Unbalanced growth theory
    - (i) Meaning
    - (ii) Advantages, disadvantages, limitations of the balanced growth theory
- 4. Characteristics/ indicators of underdeveloped economies; factors responsible for underdevelopment
- 5. Development strategy:
  - (a) Meaning, merits and demerits of:
    - (i) Agricultural development
    - (ii) Industrial development: small-scale, small and medium size entities and large-scale industries, specialisation
    - (iii) Economic diversification
  - (b) Advantages, disadvantages and limitations of:
    - (i) Export promotion
    - (ii) Import substitution
    - (iii) Capital intensive techniques of production
    - (iv) Labour intensive techniques

- (c) Intermediate technology:
  - (i) Appropriate versus intermediate technology
  - (ii) Challenges facing the development of appropriate technology in developing countries
- (d) Technological transfer and technological development:
  - (i) Technological transfer and development
  - (ii) Barriers to technological transfer development in developing countries

### **REFERENCES:**

1. Ddumba-Ssentamu (2005), Basic Economics for East Africa: Concepts, Analysis & Applications, Fountain Publishers, Kampala, Uganda.
2. Hanson J.L. (1997), A Textbook of Economics, Macdonald and Evans publishers, 2nd Edition.
3. The Republic of Uganda (2020): The Local Government (Amendment) Act 2020, Uganda Printing and Publishing Corporation, Kampala, Uganda.
4. The Republic of Uganda (2015): The Public Finance Management Act, Uganda Printing and Publishing Corporation, Kampala, Uganda.

# LEVEL 2 BUSINESS ACCOUNTING 2

# PAPER 5

## **OVERALL AIM**

To enable learners prepare and interpret financial statements and any other accounting information for application in decision making.

## **LEARNING OUTCOMES**

**On completion of this course, the learner should be able to:**

	Learning outcome	K	C	A	An	S	E
1.	Prepare financial statements for non-profit making organizations.			✓			
2.	Reconcile bank statements.				✓		
3.	Prepare accounts and financial statements from incomplete records.			✓			
4.	Explain the treatment of consignment and joint venture accounts.		✓				
5.	Prepare accounts for hire purchase transactions.			✓			
6.	Distinguish the different bases of preparing financial statements.				✓		
7.	Apply international financial reporting standards.			✓			

## **LEVEL OF ASSESSMENT**

The learner should be able demonstrate an in-depth analysis of financial reporting standards and their applicability in business.

## **EXAMINATION STRUCTURE**

There will be a three hour examination comprising of five questions of 25 marks each. The candidate will be required to attempt any four.

## **DETAILED SYLLABUS**

### **A PREPARATION OF FINANCIAL STATEMENTS FROM INCOMPLETE RECORDS**

1. Definition of incomplete records.
2. Opening Position Statement.
3. Accounts from incomplete records.
4. Statement of affairs method and final account method.
5. Disadvantages of incomplete records.
6. Analysis of cash and bank transactions.
7. The need for Control Accounts.
8. Deriving missing figures and preparation control accounts.
9. Deriving figures for sales and purchases.
10. Deduce figures for profit where only the increase in capital and details of drawings are known.
11. Calculating mark-up and margin.
12. Suspense Account and Errors.
13. Preparation of Financial Statement from Incomplete Records.



## **B PREPARATION OF FINANCIAL STATEMENTS FOR NON-PROFIT MAKING ORGANIZATIONS**

1. Definition of a non-profit making organization.
2. Objectives/ purpose of non-profit making organizations.
3. Differences between non-profit making organizations and profit making organizations.
4. Subscriptions account.
5. Treatment of Receipts and payments account.
6. Preparation of a receipts and payments account.
7. Treatment for the various forms of revenue.
8. Treatment for donations, life membership fees and entrance fees.
9. Income and expenditure account.
10. Capital and revenue expenditure.
11. Treatment of Profits or losses from special activities.
12. The Accumulated Fund.
13. Effect of Surplus or Deficit on Accumulated Fund.
14. Compare an income and expenditure account to the income statement.

## **C INVENTORIES**

1. Define inventory.
2. Raw materials Work-in-progress and Finished goods.
3. Accounting treatment for inventory and carriage costs.
4. Handling written off and written down items.
5. Items in the purchases figure.
6. Use of stock/ inventory ledgers under each stock.
7. Methods of inventory valuation.
8. Factors affecting choice of method adopted.
9. Preparation of stores ledger account.

## **D CONSIGNMENT AND JOINT VENTURE ACCOUNTS**

1. Key Definitions.
2. Consignment and Joint Venture Accounts.
3. Features of Consignment/Joint Venture Transactions.  
Consignment and Sale compared.
4. Expenses of a Consignment.
5. Accounting treatment in the books of the consignor and consignee.  
Accounting procedures for Joint Ventures.
6. Joint Bank Account.
7. Records Maintained by co-venture.

## **E HIRE PURCHASE ACCOUNTS**

1. Definition of Key Terms.
2. Accounting for Hire Purchase Transactions.
3. Journal entries and ledger accounts in the books of Hire Vendors.
4. Journal entries and ledger accounts in the books of a Hire purchaser for large value items.
5. Default and repossession.

## **F STATEMENT OF CASH FLOWS**

1. Need for management to control cash flows.
2. Composition of a statement of cash flows.
3. Operating, Investing, Financing activities and cash and cash equivalents.
4. The objective of IAS 7: Statement of Cash Flows.
5. Profit and Liquidity compared
6. Preparation of a statement of cash flows

7. Usefulness of the statement of cash flows information.
8. Limitations of the statements of cash flows.

**G FINANCIAL REPORTING**

1. Income Taxes (IAS 12)
2. Property, plant and equipment (IAS 16)
3. Leases (IAS 17)
4. Revenue (IAS 18)
5. Effects of changes in foreign exchange rates (IAS 21)
6. Borrowing costs (IAS 23)
7. Impairments (IAS 36)
8. Investment property (IAS 40)
9. Provisions, Contingent Liabilities and Contingent Assets (IAS 37)
10. Intangible assets (IAS 38)

## REFERENCES

1. ICPAU (2022), Financial Accounting, Kampala
2. Alan Sangster (2019), Frank Wood's Business Accounting, Pearson Education Limited, Harlow, 14<sup>th</sup> Edition
3. Frank Wood & Sheila Robinson (2018), Book-keeping and Accounts, Pearson, 9<sup>th</sup> Edition
4. Alan Sangster & Lewis Gordon (2022), Frank Wood's Business Accounting, Pearson Education Limited, Harlow, 15<sup>th</sup> Edition
5. International Accounting Standards Board (current issue), International Financial Reporting Standards, IFRS Foundation

## **OVERALL AIM**

To equip the learner with knowledge and skills to advise on value added tax transactions.

## **Learning Outcomes**

On completion of this course, the learner should be able to:-

	Learning outcomes	K	C	A	An	S	E
1.	Examine VAT refunds and VAT offsets				✓		
2.	Examine VAT records and accounts				✓		
3.	Advise on matters of VAT registration and deregistration					✓	
4.	Advise on VAT returns and assessments					✓	
5.	Advise on VAT in regard to services from abroad					✓	
6.	Advise on taxation of supplies					✓	
7.	Prepare reports in regard to accounting for VAT						✓
8.	Prepare advisory reports on construction contracts.						✓
9.	Advise on VAT in relation to finance agreements					✓	
10.	Advise on time and place of supply of goods					✓	
11.	Advise on intra EAC acquisitions and supplies of goods					✓	
12.	Interpret VAT legislation in regard to case law						✓

## **LEVEL OF ASSESSMENT**

The learner is expected to demonstrate both theoretical and practical knowledge of VAT by applying the relevant case law.

## **EXAMINATION STRUCTURE**

There will be a three hour examination comprising of two sections. Section A will comprise of one compulsory case study question carrying 50 marks. Section B will comprise of three scenario based questions each carrying 25 marks, of which the candidate will attempt two.

## **DETAILED SYLLABUS**

### **A INTRODUCTION TO VALUE ADDED TAX**

- (a) Legal framework of VAT in Uganda
- (b) Scope of VAT in Uganda
- (c) VAT terms explained (Goods, Services, Consideration, Fair Market Value, Taxable person)
- (d) Taxable supplies input tax, output tax)
- (e) Local exempt supplies, exempt imports
- (f) VAT rates
- (g) VAT inclusive and VAT exclusive figures
- (h) Books and records

### **B VAT REGISTRATION /DEREGISTRATION PROCESS**

- (a) Meaning of key terms
- (b) Forms of registration for VAT
- (c) Registration procedures
- (d) Determination of turnover threshold
- (e) Threshold adjustment
- (f) Duty to apply for registration
- (g) Effective date of registration
- (h) Rights and obligations of registered persons

- (i) Cancellation of VAT registration/deregistration
- (j) Failure to register
- (k) Taxable and exempt activities

## **C TAXABLE, NON-TAXABLE AND OUT-OF-SCOPE SUPPLIES**

1. Supply of goods liable to VAT
  - (a) Taxable supplies of goods or services
  - (b) Self-supplies/deemed supplies
  - (c) Gifts
  - (d) Industrial samples
  - (e) Replacement goods
  - (f) Bulk discounts
  - (g) Cash back schemes
  - (h) Money – Off schemes
  - (i) Sale of gift vouchers
  - (j) Payments received in advance
  - (k) Mixed supplies
2. VAT on services from abroad
  - (a) Categories of services received from abroad
  - (b) Place of supply of a service
  - (c) VAT treatment of services connected with immovable goods located in Uganda
  - (d) VAT treatment of services connected with immovable goods located outside Uganda
  - (e) VAT treatment of supplies made by a disclosed agent and an undisclosed agent
  - (f) Comparison of the treatment of supplies made by a disclosed agent and an undisclosed agent
  - (g) Comparison of the treatment of supplies of goods and supplies of services made to agents
  - (h) VAT exempt services and non-taxable persons

3. VAT rates
  - (a) VAT supplies
  - (b) Taxable supplies of goods
  - (c) Taxable supplies of services
  - (d) VAT exempt persons
  - (e) VAT exempt activities
  - (f) Persons making zero rated supplies
  - (g) Goods and services liable at the zero rate
  - (h) Goods and services liable at the standard rate

## **D TIME AND PLACE OF SUPPLY**

1. Place of supply of goods
  - (a) Importance of place of supply rules
  - (b) Goods which are dispatched or transported
  - (c) Goods which are not dispatched or transported
  - (d) Goods which are installed or assembled
  - (e) Goods imported from outside of the EAC
  - (f) Goods supplied when travelling between EAC states
  - (g) The concept of distance sales
2. Exports
  - (a) Meaning of exports
  - (b) Place of Supply and VAT rate
  - (c) Input credit for export companies
  - (d) Records required in connection with exports
  - (e) Evidence of export of goods
  - (f) Exports by purchasers
3. Imports
  - (a) Meaning of imports
  - (b) VAT rate
  - (c) Valuation for VAT purposes - Customs value
  - (d) Declaration in foreign currency
  - (e) Deferred payment scheme



- (f) Credit in VAT returns for VAT on imported goods
- (g) Parcel post importations of taxable goods
- (h) Importation of goods destined for another EAC member state
- (i) Situations when VAT is not payable at importation

## **E DETERMINATION OF TAXABLE VALUE & TAX PAYABLE**

- (a) Taxable value of local supplies
- (b) Discounts and subsidies
- (c) Taxable value of imported goods
- (d) Tax payable on taxable transaction
- (e) Computation of tax payable /claimable
- (f) Creditable (allowable) and uncreditable (non-allowable) input tax

## **F ACCOUNTING FOR VAT**

1. Introduction
  - (a) Accounting for VAT on sales
  - (b) Cash receipts basis
  - (c) Application for cash receipts basis
  - (d) Change from cash receipts basis to invoice basis
  - (e) Tax effects on change in accounting method/basis
2. VAT invoices and credit notes
  - (a) Meaning of a VAT invoice
  - (b) Importance of VAT invoices
  - (c) Issue of a VAT invoice
  - (d) Form of a VAT invoice; Exceptions
  - (e) Time limits for issuing VAT invoices
  - (f) Invoices issued by unregistered persons
  - (g) Settlement vouchers
  - (h) Increase in price payable

- (i) Reduction in price payable
  - (j) Incorrect VAT rate charged
  - (k) Incorrect VAT shown
  - (l) Invoices issued in a foreign currency
  - (m) Deposits or advance payments
3. Credit Notes
- (a) Information on a credit note
  - (b) Time limit for issuing credit notes
  - (c) Credit note with no VAT
  - (d) Retention of records

## **G VAT RETURNS AND ASSESSMENTS**

1. VAT returns
- (a) Types of VAT returns
  - (b) Return dates
  - (c) Amending a return
  - (d) Completing VAT returns
  - (e) Late returns
  - (f) Notice of assessment
  - (g) Types of assessment
  - (h) Amendment of an assessment
  - (i) Revenue online services
  - (j) Administration procedures to processing returns
  - (k) Objections and appeals

## **H VAT REFUNDS**

- (a) Definitions of key terms
- (b) Circumstances that give rise to VAT refunds
- (c) VAT relief to international Public Organisations, Embassies and Diplomats.

## **I PENAL TAXES**

- (a) Failure to lodge a Return
- (b) Failure to apply for Mandatory Registration
- (c) Failure to Pay Tax Imposed by due Date
- (d) Failure to Prepare Proper Records
- (e) Issuance of False Statements

## **J OTHER CONSIDERATIONS**

- 1. Intra EAC and supplies (goods only)
  - (a) Place of supply
  - (b) Rate of VAT
  - (c) Evidence of Intra EAC supplies
  - (d) Distance sales and intra EAC supplies
  - (e) Intrastate returns
- 2. Intra EAC Acquisitions (goods only)
  - (a) VAT Exempt Institutions
  - (b) Purchasing goods from abroad
  - (c) Branch to branch transfers
  - (d) Errors and corrections
- 3. Amount on which VAT is chargeable
  - (a) Expenses incurred in providing a service
  - (b) Reimbursed expenses and expenses incurred
  - (c) Possible mitigation
  - (d) Goods sold at less than market value
  - (e) VAT and withholding tax
  - (f) Postage and insurance
  - (g) Bad debts
  - (h) Deposits or payments in advance
  - (i) Payment in kind
  - (j) Disposing of company assets

4. Finance agreements
  - (a) Forms of finance
  - (b) Hire purchase agreements
  - (c) Finance leases
  - (d) Difference between a lease and hire purchase agreement
  - (e) Operational leases and service charges
  - (f) Deposits paid on lease agreements
  - (g) Termination of a lease agreement
  - (h) Termination transactions
5. Construction Services
  - (a) Construction services - VAT rates
  - (b) Place of supply of construction services
  - (c) Fixtures; fittings; Supply and installation of fixtures
  - (d) Repair and maintenance
  - (e) Design and building contracts
  - (f) Subcontractors established outside the state
  - (g) Issuing VAT invoices for progress payments
  - (h) Retention money

## **K. LOCAL EXCISE DUTY REGIME**

### **1. Background**

Introduced in 1939

- (a) To protect major revenue sources
- (b) Domestic production replaced importation
- (c) Regulate consumption of certain goods with negative health implications

### **2. Naming**

- (a) The East African Excise Management Act 1970
- (b) Adopted as Ugandan Excise Law Chapter 28
- (c) Repealed in July 2014 became The Excise Duty Act 2014

### **3. Excise Tax Policy**

- (a) Excise Duty is administered using a hybrid system i.e. Ad Valorem and Specific duties
- (b) Changes in rates of duties are announced by the Minister (MOFPED) in his/her annual budget speech
- (c) These duties are listed in the 2nd Schedule of the Excise Duty Act
- (d) Any changes in the Law and/or tariff rates are always effective beginning of the financial year (1st July).

### **4. What is Excise Duty?**

### **5. Legal Framework**

Excise Duty is administered under:

- (a) The Excise Duty Act, 2014. (EDA)
- (b) The East African Excise Regulations
- (c) The East African Excise Spirit Regulations
- (d) The East African Excise Tax Stamps Regulation, 2002.

### **6. The Purpose of the Law (EDA):**

The EDA is an Act to make provision for the control of the manufacture of excisable goods, impose excise duties, for the collection of excise duties and for other matters relating to the above

NB. New regulations will be made under Section 16 of the EDA from time to time

### **7. Key definitions/terminologies**

### **8. Objectives/Rationale of Excise duty**

Excise Duty is a tax that is designed to discourage the purchase/consumption of particular goods but largely to mobilize domestic revenue. It is also a tool for distribution of income.

## **9. Types of excisable goods**

- (a) Traditional excise goods such as beer, spirits, wines, tobacco and petroleum products are aimed at discouraging use while
- (b) Non-traditional goods: soft drinks, sugar, cement, polythene bags, drinking water are aimed at increasing revenue collection.
- (c) Motor vehicles levies to discourage old vehicles into the country

## **10. Tax rates**

The Excise Duty Act Schedule 2 (I) specifies good and services on which excise duty is levied. These are;

- (a) Cigarettes
- (b) Beers
- (c) Sacks and bags
- (d) Spirits Cosmetics and perfumes
- (e) Wines
- (f) Telecommunication services
- (g) Non-alcoholic beverages
- (h) Ledger fees, ATM fees, withdrawal fees
- (i) Bottled Drinking water
- (j) Cooking oil
- (k) Cement
- (l) Sugar
- (m) Motorcycle 1st registration
- (n) Fuel Construction materials.
- (o) Others (refer the Schedule)

## **11 Goods exempt from excise duty**

## **12. Administration of Excise Duty**

### **(a) Registration**

Anybody intending to manufacture excisable goods or supply excisable services must apply for an Excise Duty Registration Certificate. A Certificate will be granted:

- (i) To a manufacturer, importer or provider of excisable goods and services
- (ii) For the premises in which the manufacture, provision or dealing in excisable goods or excisable services takes place
- (iii) A license is given for a period of twelve months and is renewable annually

### **(b) Excise Duty registration**

A manufacturer, importer or provider of excisable goods and services shall be required to register for excise duty;

- (i) Requirements for excise duty registration
- (ii) Records required to be kept

### **(c) De registration for excise duty**

## **13. Obligations of the manufacture/importer/service provider with respect to excise duty compliance**

## **14. Role of an Excise officer**

## **15. Stock management under excise duty**

- (a) Stock room must be within the licensed premises
- (b) Stock room shall not be used for any other purpose other than to store manufactured goods
- (c) A stock book must be kept in prescribed form and must be made available for inspection
- (d) Commissioner may take copies of any entry in the stock book
- (e) Relationship with VAT Returns
- (f) Deficiency or excess stock

## **16. Relationship Between LED and VAT**

Excise duties are generally imposed in addition to VAT.

Therefore, the Sales value in a VAT return will include LED but exclude VAT. i.e. Sales = Cost + LED

## **17. Imposition of Tax**

Excise Duty on imports/Local goods/services is levied on to the Value of the goods/services using a percentage rate or a specific Amount per output in accordance with the Second schedule of the Act.

The value of an excisable good shall be the normal ex-factory price of the good exclusive of any tax on that good.

- (a) Computation of excise duty
- (b) Determination of excisable goods and services
- (c) Filing and payment of Excise Duty.

A person liable to pay Excise duty shall furnish a return by the fifteenth day of the month following the month in which production and delivery of excisable goods/ services occurred. (TPC Sec 16 8(f)). The return shall be filed on-line by downloading form DT-3021. The duty shall be paid by the 15<sup>th</sup> day of the following month.

Other tax administrative functions include:

- (a) Audit
- (b) Destructions
- (c) Surveillance
- (d) Monitoring Digital Tracking Solution

### **Digital Tracking Solution (DTS)**

- (a) Definition
- (b) Digital Tracking Solution (DTS)
- (c) Objectives of DTS
- (d) Roll out of DTS

The Uganda Revenue Authority as the implementing body of government for this solution, rolled it out on 1<sup>st</sup> November 2019.



### **DTS Scope and advantages**

- (a) Advantages & Disadvantages of DTS
- (b) Advantages to URA
- (c) Advantages to manufacturers
- (d) Advantages to the public

### **18. Excise duty refunds**

- (a) Excise duty refunds and remission
- (b) Excise duty on re-importation

### **19. Penalty and interest for non-compliance**

- (a) Section 5 and Section 15 of the Excise Duty Act provides for the general penalty provisions
- (b) Tax Procedures Code Act – Section 48,49

## **K EXCISE DUTY**

1. Excise Duty
  - (a) Meaning of duty
  - (b) Rationale for duty
  - (c) Types of duty
  - (d) Factors that influence the amount of duty
  - (e) Exercisable Goods or Services
  - (f) Imposition Liability and Payment of Excise Duty
    - (i) Taxable event and Tax Point
    - (ii) Liability to pay Excise Duty
2. Computation & Payment of Duty
  - (a) Rates of Duty applied on;
    - (i) Raw materials
    - (ii) Capital Goods
    - (iii) Intermediate Goods
    - (iv) Finished Goods
    - (v) Sensitive Goods

3. Customs Valuation and Computation of Duty
  - (a) Registration of manufacturers, importers & providers of excisable goods and services
  - (b) Control of Excisable Goods
  - (c) Excise Duty Offsets on production
  - (d) Exemption and Remission
4. Administration of Excise Duty
  - (a) Licencing
  - (b) Payment
  - (c) Application of Information Technology
  - (d) Refunds
  - (e) Liability to duty on re-importation
  - (f) Excisable goods or excisable services granted remission liable to duty on disposal.
  - (g) Prices quoted to include Duty
  - (h) General Penalty
  - (i) Regulations
  - (j) Power of Minister to amend Schedule
  - (k) Repeal and Savings
5. Duty Relief Schemes
  - (a) Exemptions regime, 5<sup>th</sup> Sch. EACCMA 2004
  - (b) Temporally importation
  - (c) Duty Drawback
  - (d) Manufacturing Under Bond
  - (e) Bonded warehousing
  - (f) Export Processing Zones

## **L STAMP DUTY ON GOODS AND SERVICES**

- (a) Meaning
- (b) Documentation
- (c) Taxable event

- (d) Valuations
- (e) Assessment and Collection
- (f) Liability
- (g) Exemptions
- (h) Penalties and Offences
- (i) Objections and Appeals

**M      LOTTERIES, GAMING AND GAMBLING ACTIVITIES**

- (a) Interpretation
- (b) National Lotteries and Gaming Regulatory Board
- (c) Finances of the Board
- (d) Licensing and Regulation of Lotteries
- (e) Casino, Gaming and Betting Licensing
- (f) Specific Provisions Gaming and Betting Machines
- (g) General Provisions on Licensing
- (h) Taxation of Casinos, Gaming and Betting Activities.

## **REFERENCES**

1. ICPAU (2022), Advanced Taxation, Kampala.
2. Uganda Revenue Authority (2020). Taxation Handbook,.
3. Government of Uganda, by Uganda Printing and Publishing Corporation:
  - (a) Value Added Tax Act, Cap 349
  - (b) The Tax Procedures Code Act
  - (c) Gaming and Pool Betting (Control and Taxation) Act, Cap.292
  - (d) Stamps Act, Cap. 342
  - (e) Excise Tariff Act, Cap. 338
4. Joseph O. Okuja (2022 Domestic & International Taxation in Uganda, Kampala Uganda.

## OVERALL AIM

To equip the learner with knowledge and skills essential for handling customs related operations

## LEARNING OUTCOMES

**On completion of this course, the learner should be able to:**

	Learning outcomes	K	C	A	An	S	E
1.	Advise on trade facilitation					✓	
2.	Analyse boarder operations				✓		
3.	Advise on entry examination and delivery of cargo					✓	
5.	Advise on exportation of goods, prohibited and restricted goods					✓	
6.	Evaluate the implications of various policies, procedure and documentation for international trade						✓
7.	Analyse customs value and duty thereon				✓		
8.	Evaluate customs ware housing procedures						✓
9.	Analyse the different provisions relating to securities				✓		
10.	Advise on the different ways of controlling smuggling and other irregularities					✓	

## **LEVEL OF ASSESSMENT**

The examination will test analysis, synthesis and evaluation of customs operations in facilitating cross border movement of goods and travellers.

## **EXAMINATION STRUCTURE**

There will be a three hour examination comprising of two sections. Section A will comprise one compulsory case study question carrying 50 marks. Section B will comprise of three scenario based questions each carrying 25 marks, of which the candidate will required to attempt any two.

## **DETAILED SYLLABUS**

### **A. INTRODUCTION TO CUSTOM LAWS**

1. Meaning of key terms
2. Various customs procedure & documentation
3. Tax administration issues
4. Strategic over view of customs
5. International trade and economic security measures
6. Inspection and management of economic borders
7. Prohibition and restrictions
8. Role of customs:
  - (a) Trade facilitation
  - (b) Revenue collection- International trade taxes
  - (c) Protection of society and industry
  - (d) Collection of trade statistics
9. Customs in the international context
10. Taxes collected by customs
11. General provisions

## **B. TRADE FACILITATION**

1. Meaning of key terms
2. Advantages and challenges of trade facilitation
3. World Trade Organisation, The: Kyoto convention
4. Customs administration and modernisation:
  - (a) Directorate of customs
  - (b) Powers of a customs officer, power of the customs office
  - (c) Appointment of customs ports and customs areas
  - (d) Licensing; inland container depots (ICDs) and warehouses, licensing customs agents, licensing of transit goods vehicles
  - (e) Procedures for licensing

## **C BORDER OPERATIONS**

1. Arrival and report of air craft, vessels and vehicles
2. Procedure on arrival of vessel, overland/by train
3. Customs declaration forms
4. Obligations of the master/agent

## **D ENTRY EXAMINATION AND DELIVERY OF CARGO**

1. Meaning of key terms
2. Procedure of customs entry of cargo:
  - (a) Home consumption
  - (b) Warehousing
  - (c) Transit and transshipment:
    - (i) Meaning of key terms
    - (ii) Types of transit and transshipment
    - (iii) Procedure for managing of goods in transit

- (d) Temporary Imports
  - (e) Re-exports
  - (f) Exports
3. Declaration documentation of imports on entry
  4. The customs bill of entry
  5. Customs clearance procedures
  6. Examination of goods
  7. Customs risk management

## **E EXPORTATION**

1. Meaning of key terms
2. Prohibited and restricted exports
3. Types of export entries
4. Customs procedure for export cargo at point of entry
5. Guaranteed and non-guaranteed exports
6. Exports exempted from declaration

## **F PROHIBITED AND RESTRICTED GOODS**

1. Meaning of key terms
2. Need for prohibition and restriction of goods
3. Clearance of restricted goods
4. Disposal of prohibited and restricted goods
5. Legal provisions

## **G CUSTOMS VALUATION**

1. Meaning of key terms
2. International commercial terms (Inco terms)
3. World Trade Organisation customs valuation agreement
4. The general agreement on tariffs and trade 1994
5. The EAC customs union tariff structure



6. Rules of origin
7. Development, structure and concepts of the harmonised system (HS) classification
8. Legal provisions
9. Customs valuation methods:
  - (a) Transaction value method
  - (b) Identical goods method
  - (c) Similar goods method
  - (d) Deductive value method
  - (e) Computed value method
  - (f) Residual/ fall-back method

## **H PROVISIONS RELATING TO SECURITIES**

1. Meaning of key terms
2. Types of bonds, advantages and disadvantages of bond securities.
3. Procedure for execution of customs bonds
4. Discharge/ retirement/ cancellation of bonds
5. Refund of deposits
6. Obligations of the parties to the customs bond security
7. Benefits of using bonds in international trade

## **I CUSTOMS WAREHOUSING PROCEDURES**

1. Meaning of key terms
2. Types of warehouses
3. Advantages of customs warehouse
4. Procedure of warehousing goods
5. Transfer of goods between warehouses
6. Removal of goods from warehouse
7. Safe guarding revenue of warehoused goods
8. Obligations of warehouse keeper

9. Responsibilities of a proper officer
10. Offences and penalties

## **J FREE ZONES**

1. Entering goods into a free zone
2. Work carried out in a free zone
3. Removal of goods from a free a zone
4. Payments of duty
5. Records required

## **K INTERNATIONAL BUSINESS DOCUMENTS AND METHODS OF PAYMENT**

1. Importance of documentation
2. Types of international trade documentation
3. International contracts of sale
4. Validity of contracts
5. Methods of international payment for goods/ services

## **L SMUGGLING, FRAUD AND CUSTOMS CONTROL OF GOODS**

1. Meaning of key terms
2. Types and modes of smuggling
3. Controlling smuggling and other irregularities
4. Offences and penalties

## **M EMERGING ISSUES**

1. Authorised Economic Operator (AEO status- Mutual recognition agreement)

2. Single recognition agreements
3. Single customs territory system
4. Pre Export Verification of conformity (PVoC)
5. EAC-COMESA-SADC FTA
6. Africa continental Free Trade Area
7. Regional Electronic Cargo Tracking system (RECTS)
8. Regional Electronic Cargo & Driver Tracking System (RECDTS)
9. Global Travel Assessment System (GTAS)



**REFERENCES:**

1. EAC Customs Management Act, 2004
2. EAC Customs Regulations, 2010
3. EAC Common External Tariff 2007, 2012, 2017
4. EAC One Stop Boarder Post Act, 2016
5. EAC Duty Remission regulations
6. Free Zones Acts
7. International Conventions; Revision Kyoto Convention (RKC)
8. National Laws (Excise Duty Act, 2014 & Domestic tax Laws)

## OVERALL AIM

To equip the learner with competences in resolving income tax issues.

## Learning Outcomes

**On completion of this course, the learner should be able to:-**

	Learning outcomes	K	C	A	An	S	E
1.	Apply the resident/non-resident rules on taxation of income.			✓			
2.	Apply Income Tax legislation to varying practical situations, including the computation of tax				✓		
3.	Prepare Income tax records, reports and accounts						✓
4.	Advise on assessment of taxation aspects including application of case law				✓		
5.	Apply relevant case law in tax decisions					✓	

## LEVEL OF ASSESSMENT

The learner is expected to analyse tax issues, apply case law and provide professional solutions.

## **EXAMINATION STRUCTURE**

There will be a three hour examination comprising two sections. Section A will comprise one compulsory case study question carrying 50 marks. Section B will comprise three scenario based questions each carrying 25 marks, of which the candidate will attempt two questions.

## **DETAILED SYLLABUS**

### **A CHARGEABLE INCOME**

1. Business income
  - (a) Meaning of business and other key terms
  - (b) Derivation of income
  - (c) Year of income
  - (d) Gain on disposal of business assets
  - (e) Satisfaction/cancellation of business debt
  - (f) Consideration for accepting restriction on capacity to carry on business
  - (g) Gross proceeds from disposal of trading stock
  - (h) Value of gifts in a business relationship
  - (i) Interest on trade receivables
  - (j) Recouped expenditure
  - (k) Computation of business income
  - (l) Use of case law
  
2. Property Income
  - (a) Meaning
  - (b) Key legal considerations
  - (c) Derivation of income
  - (d) Year of income
  - (e) Interest
  - (f) Dividends

- (g) Royalties
  - (h) Annuity
  - (i) Natural resource payment
  - (j) Value of gift
  - (k) Contributions to retirement fund by exempt employer
  - (l) Property not being let out
  - (m) Capital expenditure
  - (n) Property income losses
  - (o) Overseas property business
  - (p) Non- resident landlords
  - (q) Computation of property income
  - (r) Use of case law
3. Rental Income
- (a) Meaning
  - (b) Key definitions
  - (c) Computation of rental income
  - (d) A return of rental income
4. Employment income
- (a) Meaning
  - (b) Key legal considerations
  - (c) Wages, salary, leave pay, payment in lieu of leave, overtime pay e.t.c
  - (d) Taxable benefit
  - (e) Measuring the benefits
  - (f) Discharge or reimbursement of employee expenditure
  - (g) Compensation for termination
  - (h) Premium for insurance by tax-exempt employer
  - (i) Consideration for employee's agreement to conditions of employment
  - (j) Value of shares to an employee
  - (k) Disposal of a right or option to acquire shares

- (l) Exclusions from employment income
  - (m) Foreign employment income
  - (n) Computation of employment tax liability
  - (o) Use of case law
5. Chargeable income of non-residents
- (a) Income from non-trade activities
  - (b) Active income of non-residents
  - (c) Understanding of source rules
6. Other considerations
- (a) Cross border investments
  - (b) Chargeable income from insurance business
  - (c) Exempt income
  - (d) Allowable and non-allowable expenses
  - (e) Miscellaneous rules on determining chargeable income

## **B CAPITAL ALLOWANCES**

- (a) Terminology and basic layout
- (b) Effect of capital allowances
- (c) Qualifying expenditure – legislation
- (d) Qualifying expenditure – case law
- (e) Effective date of purchase
- (f) Hire purchase
- (g) Writing down allowances
- (h) Initial allowance
- (i) Industrial building allowances
- (j) Start-up costs
- (k) Long life assets
- (l) Integral features



- (m) Costs of intangible assets
- (n) Apportionment of deductions
- (o) Claiming and disclaiming allowances
- (p) Capital allowances and tax planning

## **C TAXATION OF RESIDENT AND NON-RESIDENT PERSONS**

1. Individuals
  - (a) Taxation of individuals
  - (b) Income splitting
  - (c) Foreign tax credits
2. Partnerships and Partners
  - (a) Principles of taxation for partnerships
  - (b) Calculation of partnership income/loss
  - (c) Non- resident partnership
  - (d) Formation, reconstitution, or dissolution of a partnership
  - (e) Partnership changes
  - (f) Taxation of partners
  - (g) Cost base of partner's interest
  - (h) Foreign tax credits
3. Trusts, Trustees and Beneficiaries
  - (a) Provisions relating to taxation of Trusts and Beneficiaries
  - (b) Principles of taxation of trusts
  - (c) Taxation of trustees and Beneficiaries
  - (d) Taxation of estates of the deceased persons
  - (e) Foreign tax credits
4. Companies
  - (a) Basic concepts and legal provisions
  - (b) Change in control of a company
  - (c) Dividend stripping
  - (d) Target and acquiring company

- (e) Roll-over relief
- (f) Conditions for the relief
- (g) Reorganization without significant change in ownership
- (h) Foreign tax credits

**D. WITHHOLDING TAX (WHT)**

- (a) WHT at source
  - (i) WHT by employers
  - (ii) Interest payments to resident persons
  - (iii) Dividend payment to resident persons
  - (iv) Payment for goods and services
  - (v) WHT on professional fees
  - (vi) WHT on international payments
  - (vii) Treatment of WHT on non-resident service contracts
- (b) WHT as a final tax; Tax period, year of income
- (c) Exemptions of WHT
- (d) Emerging WHT issues

**E. INCOME TAX PROCEDURES**

- (a) Returns
- (b) Assessments
- (c) Objections and appeals
- (d) Dispute resolution
- (e) Collection and recovery of tax
- (f) Provisional tax
- (g) Tax refund
- (h) Remission of tax
- (i) Forms and notices
- (j) Records and information
- (k) Offences and penalties

## **F TAXATION OF SPECIALISED ACTIVITIES- CASE STUDIES**

1. Non-Government Organisations (NGOs), Charitable institutions and religious institutions.
  - (a) General income tax provisions
  - (b) Income of NGOs and religious institutions
  - (c) Allowable and non-allowable expenses
  - (d) Exclusion of doctrine of mutuality
  - (e) Comprehensive computation of tax liability
  - (f) Case law and decided cases
2. Taxation of financial institutions
  - (a) General income tax provisions
  - (b) Income of financial Institutions
  - (c) Allowable and non-allowable expenses
  - (d) Comprehensive computation of tax liability
  - (e) Case law and decided cases
3. Taxation of insurance companies
  - (a) General income tax provisions
  - (b) Income of insurance companies
  - (c) Allowable and non-allowable expenses
  - (d) Comprehensive computation of tax liability
  - (e) Case law and decided cases
4. Taxation of petroleum operations
  - (a) Overview of the Oil and Gas industry in general: Upstream to downstream
  - (b) Drivers of the Oil & Gas industry
  - (c) Index of Oil & Gas Exporting Countries
  - (d) Contribution of the Oil & Gas Sector to the Global Economy
  - (e) Objectives of the Oil & Gas Taxation Regime
  - (f) General v Special Taxes on Oil & Gas
  - (g) Fiscal Regimes and Types of Taxes

- (h) Non-fiscal Instruments (e.g. Royalties, Equity Participation, etc.)
- (i) Transfer Pricing in the Oil & Gas Sector
- (j) Oil & Gas Contracts: Fiscal Stabilisation Clauses
- (k) The Principle of '*Ring Fencing*'
- (l) General Income Tax Provisions
- (m) Income of Petroleum Companies
- (n) Classification of Petroleum Expenditure
- (o) Allowable and Non Allowable Expenses
- (p) Tax Incentives in the Oil & Gas Sector
- (q) Fiscal Decentralisation in the Oil & Gas Sector
- (r) Institutional Constraints for Oil & Gas Revenue Collection in Developing Countries
- (s) Managing the Natural Resource Curse
- (t) Transparency in Oil & Gas Revenue Management
- (u) Auditing of (and Accounting for) Oil & Gas Operations
- (v) Overview of the Legal Framework Governing Uganda's Oil and Gas Sector
- (w) Taxation of Uganda's Oil and Gas Sector
- (x) Uganda's Production Sharing Agreements (PSAs)
- (y) Transfer of interests in a petroleum Agreement
- (z) Arbitration in the Oil & Gas Sector
- (aa) Comprehensive Computation of Tax Liability
- (ab) Case law and Decided Cases

## **G TAX PLANNING**

- (a) Meaning of Key Terms
- (b) Tax Planning: Tax avoidance Vs Tax Evasion
- (c) Tax Planning and Professionalism

- (d) Corporate Tax Planning
  - (i) Direct Tax planning – the legal status of business unit
  - (ii) Tax planning in respect of different heads of income
  - (iii) Tax implications in International Joint Venture
  - (iv) Tax aspects of mergers, amalgamations, demerger and slump sale.
  - (v) New Industrial establishment and tax planning
- (e) Tax considerations arising with regard to specific management decisions
  - (i) Make or buy.
  - (ii) Own or lease.
  - (iii) Retain or replace.
  - (iv) Repair of scrap or Return.
  - (v) Export versus local sale.
  - (vi) Shut down or continue.
  - (vii) Expand or Contract.
  - (viii) New capital investment.
- (f) Indirect tax planning –tax planning and tax management in relation to WHT and Customs.
- (g) Tax planning with reference to setting up of a new business and locational aspects
- (h) Planning for tax holiday benefits and the limitations on the tax planning exercise
- (i) Tax planning in the context of court rulings and legislative amendments
- (j) Tax planning and financial management decisions
  - (i) Capital structure of a company and tax incidence
  - (ii) Tax as a variable in computing cost of capital
  - (iii) Tax considerations in dividend policy
  - (iv) Taxes and bonus shares issue
  - (v) Taxes and short term and Term loans

- (vi) Tax planning in respect of non-resident company assessment
- (vii) Double taxation avoidance agreements, general principles, provisions and tax implications
- (viii) Tax planning with reference to employees' remuneration
- (ix) Tax implications in planning
- (x) Risks of Tax Planning

### **REFERENCES**

1. ICPAU (2022), Advanced Taxation, Kampala.
2. Government of Uganda, by Uganda Printing and Publishing Corporation:
  - (a) Income Tax Act, Cap 340
  - (b) The Tax Procedures Code Act
3. Joseph O. Okuja (2022), Domestic & International Taxation in Uganda, Kampala Uganda.

## OVERALL AIM

To enable the learner build the ability to ethically investigate or respond to tax queries.

## LEARNING OUTCOMES

**On completion of this course, the learner should be able to:**

	Learning outcomes	K	C	A	An	S	E
1.	Evaluate the principles of tax audits and investigations.						✓
2.	Analyse tax audit principles				✓		
3.	Analyse statutory powers of tax auditors				✓		
4.	Evaluate the methods of recording and controlling an audit and investigations						✓
5.	Analyse interview and interrogation techniques				✓		
6.	Analyse management of tax audits and investigations				✓		
7.	Evaluate the ethical issues in tax practice				✓		
8.	Evaluate cyber tax investigations						✓

## **LEVEL OF ASSESSMENT**

The learner is expected to demonstrate knowledge and understanding of the framework of tax audit, and the ability to plan, manage and carry out a tax investigation in an ethical manner.

## **EXAMINATION STRUCTURE**

There will be a three hour examination comprising of two sections. Section A will comprise one compulsory case study question carrying 50 marks. Section B will comprise of three scenario based questions each carrying 25 marks, of which the candidate will attempt two questions.

## **DETAILED SYLLABUS**

### **A GENERAL PRINCIPLES OF TAX AUDITS, INVESTIGATIONS**

1. Meaning of tax evasion, tax avoidance
2. Forms of tax evasion, tax avoidance
3. Tax investigation; meaning, forms
4. Difference between tax audit and investigation
5. Tax investigations framework

### **B TAX AUDIT PRINCIPLES**

1. Definition and nature of tax audit
2. Objectives of tax audit
3. Difference between a tax audit and tax investigation
4. Objectives of tax audit and tax investigation
5. Tax fraud indicators
6. Appointment of tax auditors
7. Duties, rights and obligations of tax auditors

### **C STATUTORY POWERS OF THE TAX AUDITORS**

1. Powers of the Commissioner General
2. The role of the Commissioner Tax Investigations



3. Procedural and compliance aspects around investigations of alleged benefits or tax fraud
4. Powers to obtain information
5. Power to enter premises
6. Power to obtain third party confirmation.

## **D TAX FRAUD:**

1. Meaning
2. The fraud theory
3. Types; occupational, organisational
4. Detection
5. Prevention and risk management
6. Investigation and engagement processes
7. Evidence collection process:
  - (i) Documentary and physical evidence
  - (ii) Interview and interrogation methods
8. Forensic science and computer forensics
9. Report, litigation and recovery process
10. Specialised fraud areas
11. The fraud triangle
12. Role of state institutions in handling tax fraud: IGG, FIA, URA, Police, Anti-Corruption Court, TAT.
13. Components of fraud examination.

## **E PLANNING TAX AUDIT**

1. Reasons for a tax audit
2. Planning for a tax audit
3. Source of taxpayer's financial and business information
4. Response to suspicions or allegation of tax fraud
5. Assessment to determine the appropriate response to tax fraud

6. Preservation of evidence related to tax fraud
7. Auditing staffing and logistics – appropriate skill set on the audit team.
8. Dos and don'ts for selecting team members
9. Preparation of work programmes

## **F CONTROLLING AND RECORDING AN AUDIT AND INVESTIGATION**

1. Review of taxpayer financial statements
2. Review of taxpayer returns
3. Review of taxpayer accounting system(s)
4. Allocations and supervision of work
5. Management and protection of working papers
6. Documentation of work done
7. Handling evidence from witness(es)
8. Examining witness(es)
9. Evidence of proper review, conclusions, action steps
10. Management of close-out meeting
11. Preparation of audit reports and investigation reports
12. Decision making after tax audits
13. Conflict resolution and settlement of tax controversies
14. Ethical considerations

## **G INTERVIEW AND INTERROGATION TECHNIQUES**

1. Meaning and importance of interview
2. Preparation for interviews
3. Characteristics of an effective interviewer
4. Legal considerations when conducting an interview
5. Elements of a conversation
6. Inhibitors of effective communication during interview

7. Dealing with difficult interviewees: interrogation, body language
8. Types of interviewee resistance and how to respond to difficult interviewees.
9. Types of questions in an interview
10. Interview techniques
11. Documentation of minutes
12. Interviewing suspects and preparation of signed statements
13. Verbal confession: what information should be obtained
14. Contents of written confessions
15. Human relations aspects of field interviews
16. Closing the interview

## **H TAX AUDIT EVIDENCE, TECHNIQUES AND PROCEDURE**

1. Nature of tax audit evidence
2. Primary and secondary evidence
3. Audit techniques.
4. Burden of proof
5. Relevance and reliability of audit evidence
6. Independent confirmation
7. Computation and checks sampling techniques
8. Reliance on the work of other auditors including statutory auditors

## **I ANALYSING EVIDENCE**

1. Obtaining documentary evidence
2. Types of evidence
3. Sources of evidence that can be used to build a profile of the suspect.
4. Organising evidence

5. Examining fraudulent transactions and documents
6. Questioned document analysis
7. Analytical procedures and audit techniques.
8. Use of experts
9. Dealing with counterfeits
10. Obtaining observational evidence
11. Choice of appropriate evidence-gathering technique
12. Working with informants
13. Procedure for disclosures by informants
14. Protection of informants from litigation/victimisation
15. Reward given to informants

## **J REPORT WRITING**

## **K PRINCIPLES OF CASE LAW**

1. The Duke of Westminster Principle
2. The Ramsay principle
3. Francis vs Dawson

## **L MANAGING TAX AUDIT AND INVESTIGATION**

1. Audit and investigation of particular areas
2. Tax authority investigations
3. Specialist investigations
4. Income tax investigations
5. PAYE audit tax investigations
6. VAT fraud investigations
7. Customs investigations
8. Excise duty investigation
9. Stamp duty investigation

10. Preparation of capital statement and ascertainment of income understated.

## **M ETHICAL ISSUES IN TAX PRACTICE**

1. Code of conduct: Fairness and equity, transparency, accountability, integrity
2. Ethical principles: Integrity, confidentiality, objectivity, professional competence and due care and professional behaviour
3. Conflict of interest
4. Contingent fee tax representation
5. Disclosures in tax returns and computations
6. Obligations to clients
7. Matters relating to new clients
8. Managing client risk
9. Charging for tax advisory services
10. Compliance with laws and regulations
11. Change of tax advisor
12. Money laundering

## **N CYBER TAX INVESTIGATIONS**

1. Meaning of digital, forensic and cyber tax investigations
2. Cyber tax crimes
3. Combating cyber tax crime

## **O TRANSFER PRICING AUDITS AND INVESTIGATION**

## **REFERENCES:**

1. Institute of Certified Public Accountants of Uganda (2009): Code of Ethics, Institute of Certified Public Accountants of Uganda, Kampala, Uganda.
2. The Government of Uganda: Evidence Act
3. Forensic Accounting and Fraud Examination, African Edition: William Hopewood, George Yound and Jay Leiner
4. International Fraud Examiners' Manual, a publication for CFE Examinations.
5. Uganda Revenue Authority: Tax Investigations Department Manual
6. International Federation of Accountants Council (2013), Code of Ethics for Professional Accountants, International Federation of Accountants Council, United Kingdom.
7. The Government of Uganda, Whistleblowers Protection Act, 2010.
8. The Government of Uganda, The Anti-Corruption Act, 2002.
9. Computer Misuse Act, GoU
10. Velasquez Manuel V. (2001), Business Ethics: Concepts & Cases, Prentice Hall.5<sup>th</sup> Edition.
11. Weiss Joseph W. (2005), Business Ethics: A Stakeholder Approach & Issues Management Approach, Cengage Learning.4<sup>th</sup> Edition.

## OVERALL AIM

To equip the learner with knowledge and skills to provide practical solutions to clients on international tax issues.

## LEARNING OUTCOMES

On completion of this course, the learner should be able to:

	Learning outcome	K	C	A	An	S	E
1.	Analyse the residence status of taxpayers				✓		
2.	Advise clients on the tax implications of various transactions						✓
3.	Advise on source rules and tax implications						✓
4.	Advise on double taxation policy issues and implications					✓	
5.	Evaluate transfer pricing and its implications on business decisions						✓
6.	Apply case law to support tax transactions and policies			✓			
7.	Advise on international tax compliance issues						✓

## **LEVEL OF ASSESSMENT**

The examination will test the learner's knowledge and advisory, analytical, synthetic, and evaluation skills of international tax issues.

## **EXAMINATION STRUCTURE**

There will be a three hour examination comprising of two sections. Section A will comprise one compulsory case study question carrying 50 marks. Section B will comprise three questions of 25 marks each, of which the candidate will be required to attempt any two.

## **DETAILED SYLLABUS**

### **A RESIDENCE STATUS**

1. Residence in Uganda:
  - (a) General rules
  - (b) Determining Ugandan residence
    - (i) Coming to Uganda
    - (ii) Days of presence
    - (iii) Leaving Uganda
  - (c) Individuals
  - (d) Partners and partnerships
  - (e) Trusts, trustees and beneficiaries
  - (f) Real estate investment trusts (REITs)
  - (g) Companies
2. Domicile
3. Non-residents
4. Management and control
5. Taxation of aliens under international law
6. Dual residence and third countries



## **B INCOME SOURCES AND THEIR TAXATION**

1. Sourcing of income
2. Tax on international payments: Interests, dividends, royalties, rent , capital gains, natural resource payment, management charge
3. Rental and disposal of an interest in immovable and movable property
4. Pension or annuity
5. Payment to non-resident public entertainers/ sports persons
6. Payment to non-resident contractors /professionals
7. Non-residents providing shipping, air transport, or telecommunication services
8. Understanding international agreements and their application; double taxation agreements, treaties and exchange of information
9. Withholding tax (WHT):
  - (a) Withholding agents
  - (b) Circumstances under which WHT is a final tax
  - (c) Implications of taking withholding tax as a final tax
  - (d) Determination of WHT on various payments
  - (e) Payment of amount withheld

## **C TAXATION OF BRANCHES/PARENT-SUBSIDIARY AND INTER-COMPANY TRANSACTIONS**

1. Introduction
2. Understanding transactions between associates
3. Separate items of income
4. Business income
5. Allocation of expenses
6. Computation of repatriated income

7. Taxation at source :withholding
8. Exemption from tax
9. Treatment of corporate losses
10. Foreign debt and foreign equity
11. Corporate reorganisations
12. Primary categories of international tax planning
13. Anti-avoidance procedures
14. International tax conflict rules
15. Taxation in hyperinflationary economies

## **D      TRANSFER PRICING**

1. Fundamental sources
  - (a) The Organisation for Economic Cooperation and Development (OECD) Model
  - (b) United Nations (UN) model commentary
  - (c) Income Tax Act
  - (d) Selected leading cases
2. Base Erosion and Profit shifting (BEPS)
3. The arm's length principle and comparability
  - (a) Arm's length principle: Interpretation and processes
  - (b) Comparable analysis:
    - (i) Role
    - (ii) Rationale
    - (iii) Limitations
    - (iv) Situations where no comparable or only imperfect comparable are found
  - (c) Transaction analysis
  - (d) Re-characterisation issues
  - (e) Comparability analysis in practice
    - (i) Typical process proposed by the OECD

- (ii) Aggregation of a taxpayer's transactions/use of non-transactional third party data
  - (iii) Information on the foreign associated enterprise
  - (iv) Sources of information on comparable uncontrolled transactions: internal/external
  - (v) Comparables
  - (vi) Comparability adjustments
  - (vii) Arm's length range
  - (viii) Timing issues in comparability
  - (ix) Compliance issues
4. Functional analysis
    - (a) Goal of functional analysis
    - (b) Analysis of functions, assets and risks
    - (c) Relating functional analysis to selection of transfer pricing method
    - (d) Entity characterisation ; characterisation as "entrepreneur", stripped risk manufacturer, commissionaire.
  5. Transfer pricing methods
    - (a) Description of methods
      - (i) Comparable Uncontrollable Price (CUP)
      - (ii) Resale price method
      - (iii) Transactional profit split method
      - (iv) Transactional net margin method
      - (v) Cost-Plus method
      - (vi) Direct/indirect charging
    - (b) Choice of method
  6. Transfer pricing and tax risk management
    - (a) Areas of transfer pricing risk
    - (b) Mitigating transfer pricing risks
  7. Intra-group services ;Types of intra-group services
  8. Financing

- (a) Loan pricing
    - (i) Creditworthiness.
    - (ii) Interest rates at arms-length and non-arms-length borrowings
  - (b) Related party financing and transfer pricing compared.
  - (c) Guarantees
9. Intangible property
- (a) Types of intangibles
  - (b) Life cycle of intangibles: Development, exploitation, exit strategy
  - (c) Models to structure the development of intangibles contract: Research and development Vs cost contribution / cost sharing arrangements
  - (d) Models for exploiting intangibles: Principal structure Vs licensing out
  - (e) Valuation of intangible assets
  - (f) Application of international agreements to the taxation effects arising from the intangible assets and any arrangements thereof.
10. Business restructuring
- (a) The nature of business restructuring
  - (b) The OECD guidance on the transfer pricing aspects of business restructuring
  - (c) Mergers, acquisitions and reorganisations
11. Permanent Establishments(PEs)
- (a) Report on the attribution of profits to PEs
  - (b) Model tax convention
  - (c) Recognition of dealings
12. Compliance issues
- (a) Transfer pricing documentation
  - (b) Penalties
  - (c) Transfer pricing risk management

13. Avoiding double taxation/dispute resolution
  - (a) Internal transfer pricing adjustments: corresponding adjustments, secondary adjustments
  - (b) Mutual agreement procedure
  - (c) Tax treaty arbitration
  - (d) Challenges in implementing

## **E DOUBLE TAXATION**

1. Definition for Key terms
2. Tax treaties: Policies, rules, negotiations and administrative procedures
3. Double Taxation Agreements (DTAs): Need of DTAs; nature of DTAs with Uganda
4. Uganda's tax treaties and reliefs
5. Double taxation for investment income
6. Double taxation and tax credits
7. Residence under domestic law and residence under double tax treaties
8. The East African Community Double Taxation Agreement.
9. Practical application of double taxation arrangements and other treaties with case studies.

## **F INTERNATIONAL TAX AVOIDANCE**

1. Tax havens
  - (a) Meaning
  - (b) Types and features
  - (c) Rationale
  - (d) Approaches to international tax avoidance
2. Anti-tax haven legislation
3. Anti-tax haven policy; evasion by individuals
4. Tax planning strategies of multinational groups

5. Domestic law approaches to international tax avoidance
6. Money laundering legislation and international tax avoidance

### **REFERENCES**

1. ICPAU (2022), Advanced Taxation, Kampala.
2. Government of Uganda, by Uganda Printing and Publishing Corporation:
  - (a) Income Tax Act, Cap 340
  - (b) Value Added Tax Act, Cap 349
  - (c) Excise Duty Act, 2018
  - (d) East African Customs Management Act
  - (e) The Tax Procedures Code Act
3. Joseph O. Okuja (2022), Domestic & International Taxation in Uganda, Kampala Uganda.
4. Angharad Miller FCA, Lynne Oats (2016): Principles of International Taxation, West Sussex , United Kingdom. 5<sup>th</sup> Edition

# LEVEL 2 TAX PRACTICE

# PAPER 11

## OVERALL AIM

To equip the learner with skills to provide sound professional advice to clients at a local, national and international level.

## LEARNING OUTCOMES

**On completion of this course, the learner should be able to:**

	Learning outcomes	K	C	A	An	S	E
1.	Analyse national and international tax laws				✓		
2.	Advise on the determination of different types of taxes at national and international levels						✓
3.	Advise on resolution of tax disputes						✓
4.	Recommend appropriate solutions to tax cases						✓
5.	Provide industry-specific tax advice						✓
6.	Evaluate current and emerging tax issues at national and international levels						✓
7.	Communicate tax solutions to various clients						✓

## **LEVEL OF ASSESSMENT**

The examination will test learner's advisory, analytical and evaluation skills in providing tax advice in different scenarios at national and international levels.

## **EXAMINATION STRUCTURE**

There will be a four hour examination comprising of a case study. Candidates will be required to produce professional solutions.

### **DETAILED SYLLABUS**

#### **A UGANDA'S FISCAL POLICY**

- (a) Fiscal policy objectives and pillars
- (b) Operation of government's fiscal policy
- (c) Impact of Uganda's fiscal policy reforms
- (d) Applying the theories of taxation in Uganda's context
- (e) Uganda's revenue performance over time
- (f) Uganda's tax revenue performance vis-à-vis other countries
- (g) Uganda's alternative domestic revenue mobilisation strategy

#### **B THE LEGAL AND INSTITUTIONAL FRAMEWORK FOR TAXATION IN UGANDA**

- (a) The Uganda Constitution (1995)
- (b) Ministry of Finance Planning and Economic Development
- (c) The Parliament
- (d) The Uganda Revenue Authority (URA) Act
- (e) The Tax Appeals Tribunal Act
- (f) The direct judicial system's role on tax related matters
- (g) Impact of case law on revenue targets; circumstances



where case law insinuates amendment of tax statutes

- (h) Retrospective versus prospective application of tax laws
- (i) Tax statutes:
  - (i) Income Tax Act, Value Added Tax Act, Stamp Duty Act, Tax Procedures Code Act, Excise Duty Act, East African Community Customs Management Act (EACCMA), Lotteries and Gaming Act
  - (ii) The power of the Commissioner General
- (j) The Private Ruling Regime in Uganda: Strengths and weaknesses
- (k) Tax practitioners: Roles, responsibilities, ethical requirements

## **C TAXATION IN THE EAST AFRICAN COMMUNITY (EAC) REGION**

- (a) Protocol on the establishment of the EAC customs
- (b) Current tax developments in the EAC region
- (c) Challenges faced during implementation of EAC; role of partner states in addressing the challenges
- (d) Tax administration and tax revenue performance in EAC
- (e) Tax policy gaps in the EAC
- (f) Costs and benefits of using technologies to enhance tax revenue administration

## **D TAX PLANNING**

- (a) Tax planning, tax avoidance and tax evasion.
- (b) International tax planning techniques
- (c) Exploitation of weaknesses in tax legislation for tax planning
- (d) Aggressive tax planning
  - (i) Impact on developing countries
  - (ii) Legislation to counter aggressive tax planning and tax evasion

- (e) Tax planning opportunities
- (f) Case law

## **E TAXATION OF MULTI-NATIONAL ENTITIES (MNEs)**

- (a) Permanent establishment rules in Uganda
- (b) Operations through subsidiaries, branches, foreign offices and digital presence
- (c) Taxation rules applicable to franchises and intangible assets
- (d) Corporate restructuring and related tax issues
- (e) Tax incentives available to MNEs and investors

## **F DOUBLE TAX AGREEMENTS (DTAs)**

- (a) Uganda's DTAs:
  - (i) Implementation in relation to;
    - Businesses
    - Individuals
    - Investments and capital gains
  - (ii) Limitation of DTA provisions relating to benefits
  - (iii) Provisions relating to double taxation
  - (iv) Dispute resolution under DTAs
- (b) Treaty abuse by contracting states
- (c) Tracing illicit transactions

## **G MEDIATING TAX DISPUTES**

- (a) Understanding the dispute and the client
- (b) Risk assessment
- (c) Legal provisions applicable, including decided cases
- (d) Preliminary case based on legal provisions available

- (e) Opinion whether client should proceed
- (f) Dispute resolution/conclusion

## **H      SPECIFIC INDUSTRY TAX REGIMES**

- (a) Oil and gas
- (b) Mining
- (c) Not-for-profit organisations
- (d) Insurance
- (e) Financial institutions
- (f) Telecoms
- (g) Digital businesses
- (h) Leisure and hospitality
- (i) Agriculture

## **I      EMERGING ISSUES**

- (a) Economic integration and globalization
- (b) Developments in national, regional and international tax statutes
- (c) Digital economy and emerging taxation issues
- (d) Any other emerging tax and economic policy issues

## **J      TAX CONSULTANCY SKILLS**

- (a) Understanding the Client
- (b) Commercial awareness
- (c) Risk Management
- (d) Costing the assignment
- (e) Engagement
- (f) Communication with stakeholders
- (g) Records Management
- (h) Problem analysis and Solving Skills
- (i) Negotiation Skills

- (j) Research Skills
- (k) Methodology of the assignment and execution
- (l) Interpersonal Skills for a tax advisor
- (m) Project Management
- (n) Time Management
- (o) Human Resource management
- (p) Report writing

### **REFERENCES**

1. Government of Uganda, by Uganda Printing and Publishing Corporation:
  - (a) Income Tax Act, Cap 340
  - (b) Value Added Tax Act, Cap 349
  - (c) Excise Duty Act, 2018
  - (d) East African Customs Management Act
  - (e) The Tax Procedures Code Act
2. Joseph O. Okuja (2022), Domestic & International Taxation in Uganda, Kampala Uganda.











# CERTIFIED TAX ADVISOR (CTA)

## EXAMINATIONS SYLLABUS 2023

**For further information, please  
contact:**

-  The Secretary, Plot 42 Bukoto Street  
Kololo, P.O. Box 12464, Kampala,
-  0414 - 540125, 0393 - 262333 /  
265590
-  [icpau@icpau.co.ug](mailto:icpau@icpau.co.ug),  
[students@icpau.co.ug](mailto:students@icpau.co.ug),
-  [www.icpau.co.ug](http://www.icpau.co.ug)